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

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

(Stock code: 1877)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2020

The board (the "**Board**") of directors (the "**Directors**") of Shanghai Junshi Biosciences Co., Ltd.* (上海君實生物醫藥科技股份有限公司) (the "**Company**") hereby announces the audited consolidated annual results of the Company and its subsidiaries (the "**Group**") for the year ended 31 December 2020 (the "**Reporting Period**"), together with the comparative figures for the year ended 31 December 2019. The consolidated financial statements of the Company for the Reporting Period have been reviewed by the Audit Committee of the Company and audited by the Company's auditors. Unless otherwise specified, financial figures in this announcement are prepared under the International Financial Reporting Standards ("**IFRS**").

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

FINANCIAL HIGHLIGHTS

- As at 31 December 2020, total revenue of the Company reached RMB1,595 million during the Reporting Period, representing an increase of 106% compared to the year 2019. In particular, the revenue from sales of TUOYI® (toripalimab) reached to RMB1,003 million with gross profit margin of 89%. In addition to the sales of toripalimab, out-licensing also contributed RMB405 million income during the Reporting Period.

- Total research and development ("**R&D**") expenses were RMB1,778 million during the Reporting Period, representing an increase of 88% compared to the year 2019. The increase in R&D expenses was mainly due to: (i) continued increasing investment in in-house R&D projects to ensure the promising progress of pivotal clinical trials and pre-clinical studies during the Reporting Period; and (ii) more R&D collaboration and license-in activities which is further expanding our product pipelines. The innovative R&D fields of the Company have expanded from monoclonal antibodies to more drug types, including small molecule drugs, antibody drug conjugates (ADCs), bifunctional fusion proteins and cell therapies, as well as the exploration of next-generation innovative therapies for cancer and autoimmune diseases.

- Net cash from financing activities was RMB4,414 million during the Reporting Period, which was mainly attributable to the successful new issue of the Company's A shares on the STAR Market of the Shanghai Stock Exchange (the "**STAR Market**") with proceeds of RMB4,497 million through the initial public offering on 15 July 2020.

- Total comprehensive expense of the Company was RMB1,688 million during the Reporting Period, representing an increase of 128% compared to the year 2019, which was mainly attributable to the revenue from sales of toripalimab, revenue from out-licensing and service income but offset by the increasing R&D expenses, administrative expenses and selling and distribution expenses.

BUSINESS HIGHLIGHTS

From the beginning of the Reporting Period to the date of this announcement, we have achieved significant progress with respect to our product commercialization, clinical trials, pipeline expansion and construction of production bases, including:

- TUOYI® (toripalimab) was successfully included in the new catalogue of the National Reimbursement Drug List upon negotiations, which will further enhance the domestic affordability and accessibility of the drug.

- The supplemental new drug application ("**NDA**") for TUOYI® (toripalimab) received a second conditional approval for the treatment of patients with recurrent or metastatic nasopharyngeal carcinoma after failure of at least two lines of prior systemic therapy.

- TUOYI® (toripalimab) has been granted 1 breakthrough therapy designation, 1 fast track designation and 3 orphan-drug designations by the U.S. Food and Drug Administration ("**FDA**") for the treatment of mucosal melanoma, nasopharyngeal carcinoma and soft tissue sarcoma, and has been included in the Drug List of the Procedure for Breakthrough Therapy Designation by the National Medical Products Administration (the "**NMPA**"). The supplemental NDA of TUOYI® (toripalimab) for the second-line treatment of metastatic urothelial carcinoma received priority review from the NMPA in July 2020. With accelerated clinical trials domestically and abroad, more than 30 clinical studies covering more than 15 indications in respect of TUOYI® (toripalimab) have been conducted globally, including in China and the United States.

  - In September 2020, the Independent Data Monitoring Committee (the "**IDMC**") determined that toripalimab in combination with standard chemotherapy as the treatment for patients with recurrent or metastatic nasopharyngeal carcinoma met its pre-specified primary endpoint at the interim analysis of a randomized, double-blind, placebo-controlled, international multi-center, Phase III clinical study. In February 2021, the supplemental NDA of toripalimab in combination with chemotherapy for the first-line treatment of patients with advanced, recurrent or metastatic nasopharyngeal carcinoma was accepted by the NMPA.

  - In December 2020, the IDMC determined that toripalimab in combination with standard chemotherapy as the first-line treatment of patients with advanced non-small cell lung cancer met its pre-specified primary endpoint at the interim analysis of a randomized, double-blind, multi-center, phase III clinical study.

- As of the date of this announcement, we had 30 drug candidates, including 28 innovative drugs and 2 biosimilars, covering 5 major therapeutic areas including malignant tumors, autoimmune diseases, chronic metabolic diseases, neurologic diseases and infectious diseases.

  - TAB004/JS004 (recombinant humanized anti-BTLA monoclonal antibody injection) was approved for clinical trials in China by the NMPA in January 2020, and the dosing of the first patient was completed in the Phase I clinical trial in April 2020. In addition, it has completed the dose-escalation stage in Phase I in the U.S. and entered the dose-expansion stage.

  - JS005 (recombinant humanized anti-IL-17A monoclonal antibody for injection) completed the dosing of the first subject in the Phase I clinical trial which had conducted in China in May 2020. At present, the Phase I clinical study has been completed and the Phase II clinical trial is being commenced.

  - JS108 (recombinant humanized anti-Trop2 monoclonal antibody – Tub196 conjugate) was approved for clinical trials in China by the NMPA in July 2020, and completed the dosing of the first patient in November 2020.

  - TAB006/JS006 (specific anti-TIGIT monoclonal antibody injection) obtained the clinical trial approval from the NMPA and the FDA in November 2020 and February 2021, respectively.

- Entered the field of anti-infection treatment and worked together to fight the pandemic. At the beginning of the outbreak, we quickly launched a neutralizing antibody R&D project (generic name: etesevimab; project code: JS016) with the Institute of Microbiology, Chinese Academy of Sciences ("**IMCAS**") for the treatment and prevention of the novel coronavirus disease ("**COVID-19**") in order to combat the pandemic.

  - In May 2020, the Company and Eli Lilly and Company ("**Lilly**") entered into an agreement to collaborate on the research, development and commercialization of potential preventive and therapeutic antibody therapies for COVID-19, and Lilly was granted an exclusive license to conduct research, develop and commercialize JS016 outside Greater China.

  - The international authoritative journal *Nature* published the results of JS016 pre-clinical research, which had been reported for the first time that the neutralizing antibody of SARS-CoV-2 can significantly inhibit COVID-19 infection in the test on non-human primate rhesus monkeys, showing the dual effect of treatment and prevention with a value for conversion into clinical practices.

  - As of the date of this announcement, we completed a Phase I study to evaluate the safety, tolerability, pharmacokinetics and immunogenicity of etesevimab among healthy Chinese subjects, and initiated international multi-center Phase Ib/II trials among COVID-19 patients.

  - The FDA granted Lilly, our partner, the Emergency Use Authorization for investigational etesevimab 1,400 mg and bamlanivimab 700 mg together, for the treatment of mild to moderate COVID-19 in patients who were at high risk for progressing to severe COVID-19 and/or hospitalization.

- The National Institutes of Health (NIH) in the United States recommended the use of etesevimab and bamlanivimab together for the treatment of mild to moderate COVID-19 outpatients with a higher risk of clinical progression in its recently updated "COVID-19 Treatment Guidelines".

- The Committee for Medicinal Products for Human Use (CHMP) of the European Medicines Agency (EMA) issued positive scientific opinion, for etesevimab administered together with bamlanivimab.

• Broadened the layout of product pipeline through co-development/license-in and other means. Apart from developing drug candidates on our own technology platforms, we also actively collaborated with outstanding domestic and overseas biotechnology companies to further expand our product pipeline and broaden the layout of drug combination therapies.

  - We entered into a research collaboration and license agreement with Revitope Oncology, Inc. and its wholly-owned subsidiary Revitope Limited (collectively, "**Revitope**"). The parties will collaborate in the R&D of the next-generation of T-cell engaging cancer immunotherapies that utilize Revitope's *Precision*GATE™ Technology Platform together with the Company's antibody technology platforms.

  - By forming a company jointly with IMPACT Therapeutics, Inc. ("**IMPACT Therapeutics**"), we collaborated in the development of senaparib, a PARP inhibitor, and own its 50% interests within mainland China, the Hong Kong Special Administrative Regions ("**Hong Kong**") and the Macau Special Administrative Regions ("**Macau**"). Both parties will collaborate in conducting clinical trials, manufacturing, and commercializing preparations for various indications of senaparib within the above collaboration territory.

  - We entered into a shareholders collaboration agreement with Beijing Eirene Biotech Co., Ltd.* (北京恩瑞尼生物科技股份有限公司) ("**Beijing Eirene**") for the formation of a joint venture company mainly engaged in the R&D, clinical application and market development of the CD39 drug. The CD39 product has a unique and innovative design concept to achieve high efficacy and reduce potential systemic adverse effects by selectively targeting at the immune suppressive cells of the high expression CD39 in the tumor microenvironment. The joint venture company will be owned as to 50% by the Company and 50% by Beijing Eirene upon its formation.

  - We entered into a collaboration agreement with Wigen Biomedicine Technology (Shanghai) Co., Ltd. ("**Wigen Biomedicine**") for the world-wide joint development, production and commercialization of four of Wigen Biomedicine's anti-tumor small molecule drug candidates (XPO1 inhibitor, Aurora-A inhibitor, EGFR-exon20 inhibitor and fourth-generation EGFR inhibitor).

  All these collaboration will broaden and strengthen our product layout in the oncology field to cover more tumor types, in the hopes of providing more treatment options for tumor patients in China and abroad in the future.

• In order to optimize the capital structure, focus more on the development of the principal business, improve operating efficiency, increase our investment in technology R&D, and better serve technological innovation, we made every effort to prepare for the listing of the Company's A shares on the STAR Market, which were successfully listed on the STAR Market on 15 July 2020.

MANAGEMENT DISCUSSION AND ANALYSIS

Overview

We are an innovation-driven biopharmaceutical company with all-round capabilities from innovative drug discovery, clinical R&D on a global scale, large-scale production capacity to commercialization on the full industry chain. Aiming to develop first-in-class or best-in-class drugs through ways of original innovation and co-development, we have successfully developed a drug candidate portfolio with tremendous market potential. Multiple products have milestone significance: toripalimab (JS001, trade name: 拓益® (TUOYI®)), one of our core products, was the first domestic anti-PD-1 monoclonal antibody approved to be marketed in China by the NMPA for the treatment of locally advanced or metastatic melanoma after standard therapy failure and the treatment for recurrent/metastatic nasopharyngeal carcinoma ("**NPC**") after failure of second-line and above systemic treatment; JS002 and UBP1213 were the first anti-PCSK9 monoclonal antibody and anti-BLyS monoclonal antibody, respectively, from a PRC domestic company that had obtained Investigational New Drug ("**IND**") approval from the NMPA; TAB004/JS004 was the world's first-in-human anti-BTLA monoclonal antibody independently developed by the Company, which has obtained clinical trial approvals from the FDA and NMPA and is currently undergoing Phase I clinical trials in China and the United States. We also worked together with domestic scientific research institutions to fight against the COVID-19 pandemic in 2020. The co-developed etesevimab (JS016) was the first novel coronavirus monoclonal neutralizing antibody that commenced clinical trials in China. In February 2021, the FDA granted our partner Lilly the Emergency Use Authorization for investigational etesevimab (JS016/LY-CoV016) 1,400mg and bamlanivimab (LY-CoV555) 700mg together, and the first batch of which was purchased by the U.S. government, contributing to COVID-19 prevention and control in China and the world with domestic innovation. As the Company continues to supplement our product pipeline and further explores drug combination therapies, our innovation field will continue to expand to R&D of more types of drugs, including small molecule drugs, antibody drug conjugates (ADCs), bifunctional fusion protein, cell therapy as well as the exploration of the next-generation innovative therapies for cancer and autoimmune diseases.

From the beginning of 2020 to the date of this announcement, although the global COVID-19 pandemic brought challenges to our overall operations to a certain extent, in the face of a public health crisis, we quickly took pandemic prevention measures to protect the safety of our employees and ensure medication supply for patients. In addition, the various major achievements in business operations as well as development of drug candidates we managed to make are summarized as follows:

TUOYI® (toripalimab) was successfully included in the revised National Reimbursement Drug List, with accelerated clinical trials domestically and abroad. Despite the general environment where the global economy was affected by the COVID-19 pandemic with great volatility, we were able to maintain uninterrupted production and supply of TUOYI® for patients, and achieved sales revenue of RMB1,003 million during the Reporting Period. In December 2020, TUOYI® was successfully included in the new catalogue of the National Reimbursement Drug List upon negotiations. Our business market and access teams have also been accelerating the entry of TUOYI® into the hospital channel, expanding the coverage in core cities and broad markets, and strengthening the establishment of product brand image. In order to support the subsequent rapid growth of TUOYI®, as of 31 December 2020, our commercialization team has expanded to over 900 employees, and our product coverage has expanded to about 1,500 hospitals and over 1,100 pharmacies in about 300 cities. In February 2021, we commenced commercial cooperation with AstraZeneca Pharmaceutical Co., Ltd., ("**AstraZeneca Pharmaceutical**"). We will grant AstraZeneca Pharmaceutical the exclusive promotion right of TUOYI® for the urinary cancer indications to be approved subsequently for marketing in mainland China and the exclusive promotion right for all indications approved and to be approved in non-core urban areas. We will continue to be responsible for the promoting of indications approved and to be approved excluding urinary cancer indications in core urban areas. The cooperation is conducive to the continuous promotion of the commercialization of TUOYI® in China, and expansion of coverage of TUOYI® in hospitals and pharmacies among all tiers of cities, thereby promoting more Chinese patients to benefit from the local high-quality innovative drug.

More than 30 clinical studies covering more than 15 indications in respect of toripalimab have been conducted in China, the United States and other countries to date. As of the date of this announcement, toripalimab has been granted 1 breakthrough therapy designation, 1 fast track designation and 3 orphan-drug designations by the FDA for the treatment of mucosal melanoma, nasopharyngeal carcinoma and soft tissue sarcoma. We officially initiated the rolling submission of biologics license application ("**BLA**") for toripalimab with the FDA for the treatment of recurrent or metastatic nasopharyngeal carcinoma in March 2021 and obtained a rolling review by the FDA. Toripalimab has become the first domestic anti-PD-1 monoclonal antibody to submit a BLA to the FDA. For progress in domestic clinical trials, in February 2021, toripalimab received a second supplemental NDA approval from the NMPA for the treatment of patients with recurrent or metastatic nasopharyngeal carcinoma after failure of at least two lines of prior systemic therapy. The supplemental NDA of toripalimab for the second-line treatment of locally advanced or metastatic urothelial carcinoma was accepted by the NMPA in May 2020 and received priority review designations from the NMPA in July 2020. In February 2021, the supplemental NDA of toripalimab in combination with chemotherapy for the first-line treatment of patients with advanced, recurrent or metastatic nasopharyngeal carcinoma was accepted by the NMPA.

Entered the field of anti-infection treatment and contributed to the world's anti-pandemic efforts with domestic innovation. At the beginning of the COVID-19 outbreak, we quickly launched a neutralizing antibody R&D project (generic name: etesevimab; project code: JS016) with the IMCAS for the treatment and prevention of COVID-19 in order to combat the pandemic. In two months' time, we leveraged our excellent platforms to complete the pre-clinical research required by the IND, which has been used in the antibody process development and production for GLP toxicology research, and the GMP production of clinical batches of antibodies. Lilly, a century-old multinational pharmaceutical company, was granted by the Company an exclusive license to conduct research, develop and commercialize etesevimab outside Greater China. As of the date of this announcement, we completed a Phase I study to evaluate the safety, tolerability, pharmacokinetics and immunogenicity of etesevimab among healthy Chinese subjects, and initiated international multi-center Phase Ib/II trials among COVID-19 patients globally. In February 2021, the FDA granted Lilly, our partner, the Emergency Use Authorization for investigational etesevimab 1,400 mg and bamlanivimab 700 mg together, for the treatment of mild to moderate COVID-19 in patients who were at high risk for progressing to severe COVID-19 and/or hospitalization. In addition, the National Institutes of Health (NIH) in the United States also recommended the use of etesevimab and bamlanivimab together for the treatment of mild to moderate COVID-19 outpatients with a higher risk of clinical progression in its recently updated "COVID-19 Treatment Guidelines". The Committee for Medicinal Products for Human Use (CHMP) of the European Medicines Agency (EMA) issued a positive scientific opinion for etesevimab administered together with bamlanivimab used, which suggested that etesevimab and bamlanivimab can be used to treat COVID-19 patients aged 12 or above who do not require supplemental oxygen and who are at high risk of progressing to severe COVID-19.

Commenced cooperation with international pharmaceutical partners in terms of various products and various dimensions, including strategic collaboration with Coherus BioSciences, Inc. ("Coherus") and Lilly. As of the date of this announcement, we achieved numerous international collaboration of strategic significance at the levels of corporate strategy and product cooperation, taking another important step towards the strategic goal of "international layout with a base in China". We entered into a research collaboration and license agreement with Lilly, granting it an exclusive license to conduct research, develop and commercialize etesevimab outside Greater China. According to the collaboration agreement, Lilly shall pay to the Company an upfront fee of US$10 million, and upon achieving prescribed milestones, will pay milestone payments of up to US$245 million, plus double-digit royalties on the net sales of the product.

We reached an exclusive license and commercialization agreement with Coherus on the development and commercialization of our self-developed toripalimab in the United States and Canada. According to the terms of the agreement, we will grant Coherus a license for toripalimab in the United States and Canada. In addition, we will grant Coherus options to JS006 (an anti-TIGIT monoclonal antibody) and JS018-1 (a next-generation improved IL-2 cytokine drugs), and the right of first negotiation for 2 early-stage checkpoint inhibitor antibody drugs. In consideration for this, we may receive an upfront fee, exercise payment (if Coherus exercises its options) and milestone payments of up to US$1.11 billion in aggregate, together with royalties of 20% of the annual net sales of toripalimab products in the licensed areas. In the licensed areas, we will co-develop toripalimab with Coherus, with Coherus being responsible for all commercial activities in the United States and Canada. The collaboration with Coherus will become an important part of our expansion of the global commercialization network. We look forward to working closely with Coherus to establish the market position of toripalimab in the United States and Canada, and joining hands to provide patients over the globe with better efficacy and more cost-effective treatment options. Going forward, we will continue to explore global opportunities for our drug candidates with appropriate R&D plans, clinical development and commercialization activities.

Broadened the layout of product pipeline through co-development/license-in and other means. Apart from developing drug candidates on our own technology platform, we also actively cooperated with outstanding domestic and overseas biotechnology companies to further expand our product pipeline and broaden the layout of drug combination therapies. As of the date of this announcement, we have 30 drug candidates, and our innovative R&D field has expanded from monoclonal antibodies to the development of more drug types, including small molecule drugs and antibody drug conjugates (ADCs), bifunctional fusion proteins and cell therapies, as well as the exploration of next-generation innovative therapies for cancer and autoimmune diseases. We entered into a research collaboration and license agreement with Revitope. The parties will collaborate in the R&D of the next-generation of T-cell engaging cancer immunotherapies that utilize Revitope's *Precision*GATE™ Technology Platform together with the Company's antibody technology platforms. By forming a company jointly with IMPACT Therapeutics, we cooperated in the development of senaparib, a PARP inhibitor, and own its 50% equity interests within mainland China, Hong Kong and Macau. Both parties will cooperate in conducting clinical trials, manufacturing, and commercialization preparations for various indications of senaparib within the above collaboration territory. We entered into a cooperation agreement with Wigen Biomedicine for the world-wide joint development, production and commercialization of four of Wigen Biomedicine's anti-tumor small molecule drug candidates (XPO1 inhibitor, Aurora-A inhibitor, EGFR-exon20 inhibitor and fourth-generation EGFR inhibitor) on a global scale. All these collaboration will broaden and strengthen our product layout in the oncology field to cover more tumor types, in the hopes of providing more treatment options for tumor patients in China and abroad in the future.

Listing on the STAR Market optimized our capital structure. During the Reporting Period, in order to optimize the capital structure, focus more on the development of the principal business, improve operating efficiency, increase our investment in technology R&D, and better serve technological innovation, we made every effort to prepare for the listing of A shares of the Company on the STAR Market, which were successfully listed on the STAR Market on 15 July 2020. The proceeds will be used for clinical research of innovative drugs: including domestic and overseas R&D of the JS004 project, follow-up domestic clinical R&D of JS001 and other early-stage project preclinical research; and the construction of a large-scale monoclonal antibody drug production base in Lingang, Shanghai. After the projects financed by the proceeds are completed, our production capacity will be greatly increased, and our innovative drug R&D results will be transformed into biologics drug formulation that can be supplied to the market on a large scale, which will help us achieve rapid growth and further our competitive advantages.

In July 2020, Rules 18A.09 to 18A.11 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Hong Kong Listing Rules**") no longer applied to us as we had satisfied the market capitalization/revenue test under Rule 8.05(3) of the Hong Kong Listing Rules. The "B" marker had thus been removed from the Company's stock name and stock short name.

In February 2021, the Company's A shares and H shares were included in the Shanghai-Hong Kong Stock Connect. Hang Seng Indexes Company Limited announced the inclusion of the Company's H shares (1877.HK) in the Hang Seng Composite Index, the Hang Seng SmallCap Index, the Hang Seng Healthcare Index, the Hang Seng Stock Connect Hong Kong Index and the Hang Seng Stock Connect Hong Kong MidCap & SmallCap Index. The Company's A shares (688180.SH) were included in the STAR 50 index by the Shanghai Stock Exchange and China Securities Index Co., Ltd. with effect from 15 March 2021.

Product Pipeline

Our products concentrate on self-developed biological products with original innovation. At the same time, through co-development and technology transfer/license-in, we introduced products that synergized with our own original product pipeline, so as to further expand our product pipeline. As of the date of this announcement, we have 30 drug candidates, covering 5 major therapeutic areas, including malignant tumors, autoimmune diseases, chronic metabolic diseases, neurologic diseases and infectious diseases. Our innovative R&D fields have also expanded from monoclonal antibodies to the development of more drug types, including small molecule drugs, antibody drug conjugates (ADCs), bifunctional fusion proteins and cell therapies, as well as the exploration of next-generation innovative therapies for cancer and autoimmune diseases.

R&D Progress of Toripalimab

Therapeutic Areas	Medicine Codes	Clinical trial number	Indications	Pre Clinical / Phase I / Phase II / Phase III / NDA	Locations of Clinical Trial	Note
Oncology	JS001 Toripalimab	NCT03013101	Melanoma (second-line treatment, monotherapy)	Approved on 17 December 2018	China	NDA approved
		NCT02915432	Nasopharyngeal carcinoma (third-line treatment, monotherapy)	NDA approved by NMPA in February 2021, and BLA submitted to FDA	China	FDA Breakthrough Therapy Designation, Orphan Drug Designation
		NCT03581786	Nasopharyngeal carcinoma (first-line treatment, combo with chemo)	NDA accepted	International multi-center	
		NCT03113266	Urothelial carcinoma (second-line treatment, monotherapy)	NDA accepted	China	Received Priority Review
		NCT03856411	EGFR negative non-small cell lung carcinoma (first-line treatment, combo with chemo)	Pivotal registered clinical trial	China	Met primary endpoint (interim)
		NCT03924050	EGFR mutated TKI failed terminal stage non-small cell lung carcinoma (combo with chemo)	Pivotal registered clinical trial	China	
		NCT04772287	Non-small cell lung carcinoma (neoadjuvant)	Pivotal registered clinical trial	China	
		NCT04012606	Small cell lung carcinoma (first-line treatment, combo with chemo)	Pivotal registered clinical trial	China	
		NCT03829969	Esophageal squamous cell carcinoma (first-line treatment, combo with chemo)	Pivotal registered clinical trial	China	
		/	Esophageal squamous cell carcinoma (neoadjuvant)	Pivotal registered clinical trial	China	
		NCT03430297	Melanoma (first-line treatment, monotherapy)	Pivotal registered clinical trial	China	
		NCT04085276	Triple negative breast carcinoma (combo with albumin-bound paclitaxel)	Pivotal registered clinical trial	China	
		NCT04523493	Hepatocellular carcinoma (first-line treatment, combo with lenvatinib)	Pivotal registered clinical trial	International multi-center	
		NCT04723004	Hepatocellular carcinoma (first-line treatment, combo with bevacizumab)	Pivotal registered clinical trial	International multi-center	
		NCT03859128	Hepatocellular carcinoma (adjuvant)	Pivotal registered clinical trial	China	
		NCT02915432	Gastric carcinoma (third-line treatment, monotherapy)	Pivotal registered clinical trial	China	
		NCT04394975	Renal cell carcinoma (first-line treatment, combo with Axitinib)	Pivotal registered clinical trial	China	
		NCT04568304	Urothelial carcinoma (first-line treatment, PD-L1+)	Pivotal registered clinical trial	International multi-center	
		/	Mucosal melanoma (combo with Axitinib)		United States	FDA Fast Track Designation, Orphan Drug Designation; NMPA Breakthrough Therapy Designation
		NCT03474640	Sarcoma		United States	FDA Orphan Drug Designation

Other R&D Pipelines Covering a Wide Variety of Therapeutic Areas

Biologics Small molecule drugs

Therapeutic Areas	Medicine Codes	Targets	Indications	Pre Clinical	Phase I	Phase II	Phase III	NDA	Origins	Locations of Clinical Trial
Oncology	JS003	PD-L1	Solid tumors						In house	China
	JS004 (TAB004)	BTLA	Melanoma, lung carcinoma, lymphoma, etc.						In house	United States
			Melanoma, lung carcinoma, lymphoma, etc.							China
	JS006	TIGIT	Solid tumors						In house	United States
			Solid tumors							China
	JS007	CTLA-4	Lung carcinoma, melanoma						In house	China
	JS101	Pan-CDK	Breast cancer, etc.						In house	China
	JS108	TROP2	Triple negative breast cancer, small cell lung carcinoma, pancreatic cancer						Co-development	China
	JS109	PARP	Ovarian cancer (first-line maintenance)						Co-development	China (excluding Taiwan)
			BRCA-mutated ovarian cancer (third-line)							
	JS110	XPO1	Multiple myeloma, etc.						Co-development	China
	JS111	EGFR exon 20	Non-small cell lung carcinoma						Co-development	China
	JS201	PD-1/TGF-β	Solid tumors						In house	China
	JS501 (Bevacizumab)	VEGF	Non-small cell lung carcinoma, colorectal cancer						Co-development	China
Metabolic	JS002	PCSK9	Hyperlipidemia						In house	China
	JS103	Uricase	Hyperuricacidemia, gout						In house	China
Auto-immunity	UBP1211 (Adalimumab)	TNF-α	Rheumatoid arthritis, ankylosing spondylitis, psoriasis arthritis			NDA accepted			Co-development	China
	JS005	IL-17A	Psoriatic, ankylosing spondylitis						In house	China
	UBP1213	BLyS	Systemic lupus erythematosus						In house	China
Infectious disease	JS016 (Etesevimab)	S protein	COVID-19			EUA approved by FDA			Co-development	United States
									Co-development	China

Other R&D Pipelines Covering a Wide Variety of Therapeutic Areas — Early-Stage Projects

Therapeutic Areas	Medicine Codes	Targets	Indications	Origins	Commercial Rights
Oncology	JS009	CD112R/ PVRIG	Solid tumors	In house	Global
	JS011	(Undisclosed)	(Undisclosed)	In house	Global
	JS012	(Undisclosed)	(Undisclosed)	In house	Global
	JS014	IL-21	Solid tumors	100% Rights in-licensing	China
	JS018	IL-2	Solid tumors	100% Rights in-licensing	Global
	JS019	CD39	Solid tumors	50% Rights in-licensing	China
	JS104	Pan-CDK	Breast cancer, etc.	50% Rights in-licensing	Global
	JS105	PI3K-α	Breast cancer, kidney cancer, etc.	50% Rights in-licensing	Global
	JS112	Aurora A	Small cell lung carcinoma	50% Rights in-licensing	Global
	JS113	EGFR 4th Gen	Non-small cell lung carcinoma	50% Rights in-licensing	Global
Metabolic	JS008	(Undisclosed)	(Undisclosed)	In house	Global
Neurologic	JS010	CGRP	Migraine	In house	Global

Due to the high-tech, high-risk and high-value-added characteristics of pharmaceutical products, there are substantial risks and uncertainties in the process of drug research, development and commercialization. Investors are advised to make cautious decisions and evaluate investment risks. The Company will actively pursue the described R&D projects and fulfill its information disclosure obligations regarding the subsequent progress of projects in a timely manner and in strict accordance with relevant regulations.

BUSINESS REVIEW

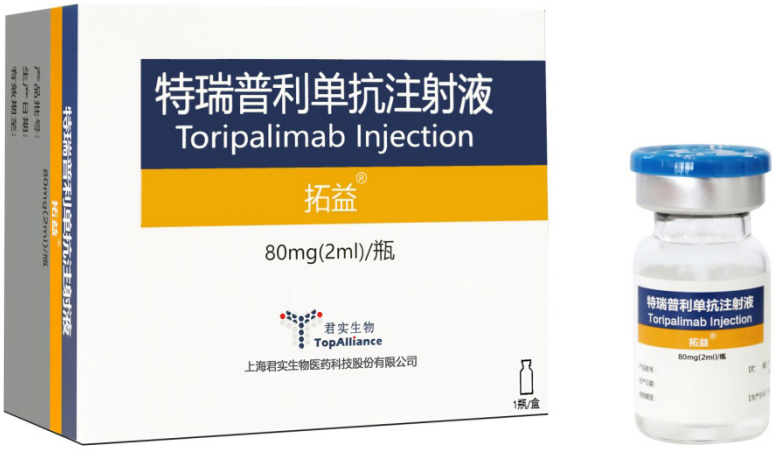
Our products under commercialization

Toripalimab Injection (code: JS001, trade name: 拓益®(TUOYI®))

- *Milestones and achievements of commercialization*

  Our self-developed toripalimab is the first domestic anti-PD-1 monoclonal antibody successfully launched in the Chinese market, addressing various malignant tumors. It has been supported by two National Major Science and Technology Projects for "Major New Drugs Development" during the "Twelfth Five-Year Plan" and "Thirteenth Five-Year Plan" periods. In December 2018, toripalimab was conditionally approved by the NMPA for market launch for the treatment of locally advanced or metastatic melanoma after standard therapy failure, and was also recommended under the 2019 and 2020 editions of the Chinese Clinical Oncology Society (CSCO) Guidelines for the Diagnosis and Treatment of Melanoma. In December 2020, toripalimab Injection was successfully included in the new catalogue of the National Reimbursement Drug List upon negotiations. In February 2021, toripalimab received a supplemental NDA approval from the NMPA for the treatment of patients with recurrent or metastatic nasopharyngeal carcinoma after failure of at least two lines of prior systemic therapy.

  During the Reporting Period, the revenue from sales of TUOYI® (toripalimab) reached RMB1,003 million. As of 31 December 2020, our commercialization team has expanded to over 900 employees, and our product coverage has expanded to about 1,500 hospitals and over 1,100 pharmacies in about 300 cities. In order to further strengthen the brand building of TUOYI®, continue to expand its coverage in hospitals and pharmacies, increase the penetration rate of TUOYI®, and enhance the Company's commercial competitiveness in the domestic PD-1 market, in February 2021, we commenced commercial cooperation with AstraZeneca Pharmaceutical. We will grant AstraZeneca Pharmaceutical the exclusive promotion right of TUOYI® for the urinary cancer indications to be approved subsequently for marketing in mainland China and the exclusive promotion right for all indications approved and to be approved in non-core urban areas. We will continue to be responsible for the promoting of indications approved and to be approved excluding urinary cancer indications in core urban areas. The cooperation is conducive to the continuous promotion of the commercialization of TUOYI® in China, and expansion of the coverage of TUOYI® in hospitals and pharmacies in all tiers of cities, thereby promoting more Chinese patients benefiting from the local high-quality innovative drugs.



Toripalimab Injection

- *Milestones and achievements of clinical development*

More than 30 clinical studies covering more than 15 indications in respect of toripalimab have been conducted in China, the United States and other countries, involving new indications such as nasopharyngeal cancer, urothelial cancer, lung cancer, gastric cancer, esophageal cancer, liver cancer and breast cancer. The supplemental NDA of toripalimab for the second-line treatment of metastatic urothelial carcinoma was accepted by the NMPA in May 2020 and received priority review designations from the NMPA in July 2020. In December 2020, the IDMC has determined that toripalimab in combination with standard chemotherapy as the first-line treatment of patients with advanced non-small cell lung cancer met its pre-specified primary endpoint at the interim analysis of a randomized, double-blind, multi-center, Phase III clinical study CHOICE-01 (NCT03856411). We will initiate the process to submit a supplemental NDA to the NMPA in the near future. In February 2021, the supplemental NDA of toripalimab in combination with chemotherapy for the first-line treatment of patients with advanced, recurrent or metastatic nasopharyngeal carcinoma was accepted by the NMPA. In March 2021, toripalimab has been included in the Drug List of the Procedure for Breakthrough Therapy Designation for the first-line treatment of advanced mucosal melanoma by the NMPA.

As for overseas clinical progress, toripalimab has been granted 1 breakthrough therapy designation, 1 fast track designation, and 3 orphan-drug designations by the U.S. FDA for the treatment of mucosal melanoma, nasopharyngeal carcinoma, and soft tissue sarcoma. The above designations were beneficial for the subsequent development, registration and commercialization of toripalimab in the United States. In March 2021, we initiated the rolling submission of BLA for toripalimab with the FDA for the treatment of recurrent or metastatic nasopharyngeal carcinoma and obtained a rolling review by the FDA. Rolling review refers to when applying for BLA or NDA, pharmaceutical enterprises can submit the application documents to the FDA for review in batches, instead of waiting for the application documents to be all completed before submitting an application to the FDA, which can shorten the review cycle of new drugs. Toripalimab has become the first domestic anti-PD-1 monoclonal antibody to submit a BLA to the FDA.

In February 2021, we entered into the exclusive license and commercialization agreement with Coherus. The Company will grant Coherus an exclusive license to develop, manufacture, commercialize, sell and otherwise develop toripalimab in the United States and Canada (the "**Coherus Territory**"), and in consideration will receive a non-refundable upfront payment of US$150 million as well as milestone payments up to an aggregate of US$380 million, plus 20% royalty on the annual net sales of any product that contains toripalimab in the Coherus Territory. Over the next two years, apart from the BLA submitted for recurrent or metastatic nasopharyngeal carcinoma, we and Coherus plan to file additional toripalimab BLAs with FDA for several rare and highly prevalent cancers, including non-small cell lung cancer.

From the beginning of the Reporting Period to the date of this announcement, the results obtained in clinical research of toripalimab in the current stage have also been included in many influential international academic journals and included in the presentations of many international academic conferences. Details are as follows:

- *Publication of the research results of TUOYI® for the treatment of advanced solid tumors in Cancer Communications (IF 5.627) in January 2020*

- *The results of TUOYI® for the second-line treatment of locally advanced or metastatic urothelial carcinoma (POLARIS-03) were selected at the Genitourinary Cancers Symposium of the American Society of Clinical Oncology ("ASCO") (ASCO-GU) in February 2020*

- *Publication of the research results of TUOYI® for the treatment of advanced melanoma in Clinical Cancer Research (IF 10.107) in April 2020*

- *The research results of TUOYI® for the treatment of advanced solid tumors were selected at the annual meeting of the American Association for Cancer Research (AACR 2020) in April 2020*

- *A total of 9 research results of TUOYI® were selected, including melanoma, nasopharyngeal carcinoma, urothelial carcinoma, lung carcinoma, hepatocellular carcinoma, gastric carcinoma esophageal carcinoma, squamous cell carcinoma of the head and neck and pancreatic cancer, and mucosal melanoma research were orally reported at the conference, at the annual meeting of the ASCO (ASCO 2020) in May 2020*

- *A total of 4 research results of TUOYI® were selected, including biliary tract tumors, colorectal cancer and esophageal carcinoma, at the European Society for Medical Oncology Congress (ESMO 2020) in September 2020*

- *A total of 9 research results of TUOYI® were selected, including urothelial carcinoma, melanoma, esophageal carcinoma, gastric carcinoma, intrahepatic cholangiocarcinoma and kidney cancer, and urothelial cancer research was an excellent paper and the special topic of the main venue of the conference and 4 research (gastric cancer, intrahepatic cholangiocarcinoma, advanced solid tumor and melanoma research) were special topic presentations for innovative drugs, at the annual meeting of the Chinese Society of Clinical Oncology (CSCO 2020) in September 2020*

- *Publication of the research results of TUOYI® for the treatment of advanced non-small cell lung carcinoma in JAMA Network Open (IF 5.032) in October 2020*

- *A total of 2 research results of TUOYI® were selected, including neoadjuvant treatment of non-small cell lung carcinoma and esophageal squamous cell carcinoma, at the annual meeting of the Society for Immunotherapy of Cancer (STIC 2020) in November 2020*

- *The research result of TUOYI® for the treatment of advanced hepatocellular carcinoma was selected at the European Society for Medical Oncology Asia Congress (ESMO ASIA 2020) in November 2020*

- *The research result of TUOYI® in combination with CIK cell therapy for the treatment of non-small cell lung carcinoma was selected at the 21st World Conference on Lung Cancer (WCLC 2020) in January 2021*

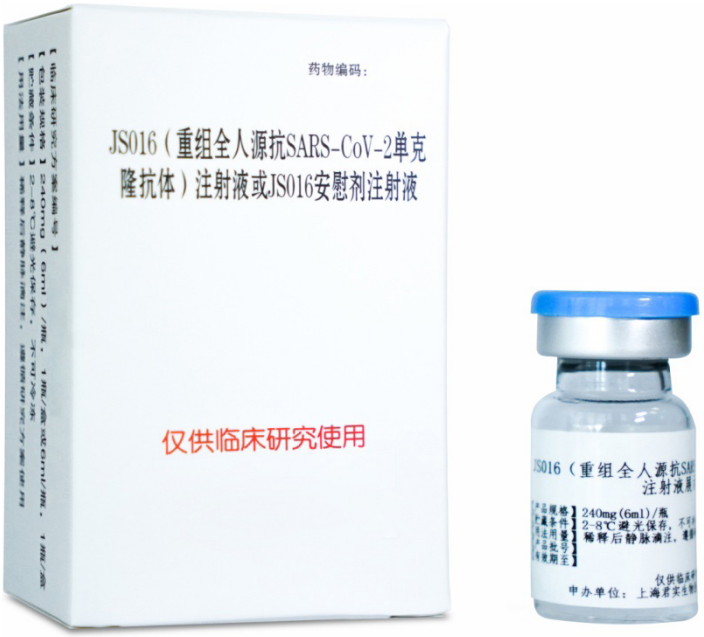
- *Publication of the results of TUOYI® for the treatment of recurrent or metastatic nasopharyngeal carcinoma (POLARIS-02) in Journal of Clinical Oncology (IF 32.956) in January 2021*

Etesevimab (code: JS016/LY-CoV016)

- *Milestones and achievements of commercialization*

Etesevimab is a recombinant fully human anti-SARS-CoV-2 monoclonal neutralizing antibody, which was jointly developed by us and the IMCAS for the treatment and prevention of COVID-19. In May 2020, we entered into a research collaboration and licensing agreement with Lilly and Lilly was granted an exclusive license to conduct research, develop and commercialize etesevimab outside Greater China. According to the agreement, Lilly shall pay us an upfront fee of US$10 million, and upon achieving prescribed specified milestones, will pay milestone payments of up to US$245 million, plus double-digit royalties on the net sales of the product. In February 2021, the FDA officially granted the Emergency Use Authorization (EUA) for etesevimab (JS016 or LY-CoV016) 1,400 mg and bamlanivimab (LY-CoV555) 700 mg together for the treatment of mild to moderate COVID-19 in patients who were at high risk for progressing to severe COVID-19 and/or hospitalization. In addition, the National Institutes of Health (NIH) in the United States also recommended the use of etesevimab and bamlanivimab together for the treatment of mild to moderate COVID-19 outpatients with a higher risk of clinical progression in its recently updated "COVID-19 Treatment Guidelines". The Committee for Medicinal Products for Human Use (CHMP) of the European Medicines Agency (EMA) issued a positive scientific opinion for etesevimab administered together with bamlanivimab, which suggested that etesevimab and bamlanivimab can be used in combination to treat COVID-19 patients aged 12 or above who do not require supplemental oxygen and who are at high risk of progressing to severe COVID-19.

Our partner Lilly will continue to work with global regulatory agencies to promote these therapies worldwide. In order to help as many patients as possible, Lilly will continue to accelerate the production of etesevimab for global use.

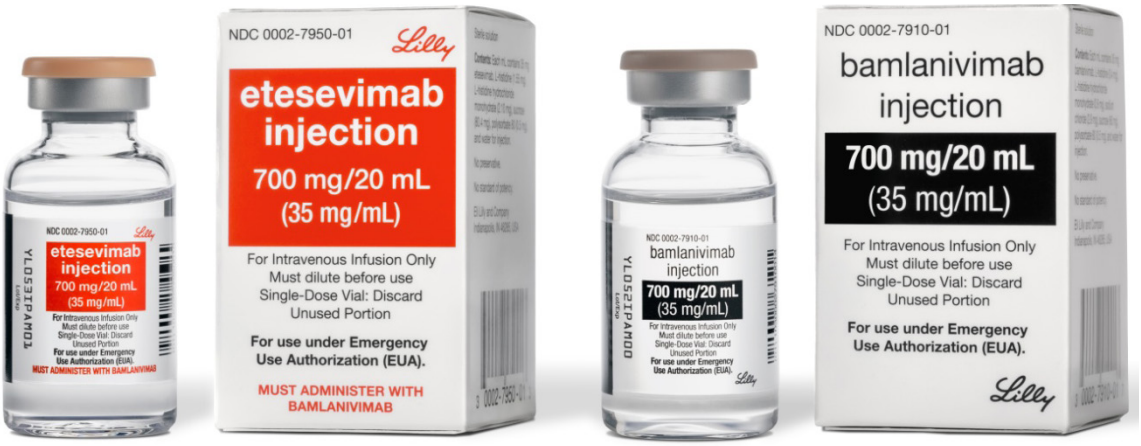


Recombinant fully human anti-SARS-COV-2 monoclonal antibody injection

- *Milestones and achievements of clinical development*

In June 2020, etesevimab was approved to enter the domestic Phase I clinical trial, and the enrollment of subjects in the Phase I clinical trial was completed in July 2020. The clinical trial was designed as a randomized, double-blind, placebo-controlled Phase I clinical study, aiming at evaluating the tolerability and safety of JS016 single-dose intravenous therapy among the healthy subjects. It was planned to recruit 40 healthy subjects (including both males and females) as the world's first novel coronavirus neutralizing antibody clinical trial in healthy subjects. We are conducting Phase Ib/II international multi-center clinical study for patients with mild to normal COVID-19 pneumonia.

Our partner Lilly has successfully completed a similar Phase I clinical study of etesevimab (NCT04441931) among healthy subjects in the U.S. A Phase II/III clinical study among patients recently diagnosed with COVID-19 in the ambulatory setting (BLAZE-1, NCT04427501) is ongoing. In January 2021, the Phase III clinical trial of the BLAZE-1 study reached the primary research endpoint. The etesevimab 2,800 mg and bamlanivimab 2,800 mg together significantly reduced COVID-19-related hospitalizations and deaths in high-risk patients recently diagnosed with COVID-19. Across 1,035 patients, there were 11 events (2.1 percent) in patients taking the therapy and 36 events (7.0 percent) in patients taking placebo, representing a 70 percent risk reduction (p=0.0004). There were a total of 10 deaths in the study, all of which occurred among patients taking placebo. There was no death among the patients taking etesevimab and bamlanivimab together. Significant statistical improvements were also shown among the patients taking etesevimab and bamlanivimab together in all key secondary endpoints, providing strong evidence that the therapy can reduce viral load and accelerate symptom relief. In addition, preliminary results of the ongoing BLAZE-4 study (NCT04634409) provide viral load and pharmacodynamic/pharmacokinetic data demonstrating lower doses of etesevimab 1,400 mg and bamlanivimab 700 mg is similar to the use of etesevimab 2,800 mg and bamlanivimab 2,800 mg together.



etesevimab (left) and bamlanivimab (right)

Our drug candidates under NDA

Adalimumab injection (code: UBP1211)

UBP1211 is the adalimumab injection that we jointly developed with Jiangsu T-mab BioPharma Co., Ltd. In November 2019, our NDA application to the NMPA has been accepted. As of the date of this announcement, UBP1211 is in the process of new drug approval, and has completed on-site clinical inspection, pending further comments from the drug regulatory authority and organization of on-site production inspection.

Our drug candidates under clinical trials

Recombinant humanized anti-PCSK9 monoclonal antibody injection (code: JS002)

JS002 is a recombinant humanized anti-PCSK9 monoclonal antibody for injection independently developed by us for the treatment of primary hypercholesterolemia and mixed dyslipidemia. We are the first PRC company to obtain clinical trial approval for the target drug. In the completed Phase I and Phase II clinical research, JS002 showed sound safety and tolerability profile with significant efficacy in lowering blood cholesterol by reducing LDL-C by 50% to 70% compared to the baseline (equivalent to imported similar products). As of the date of this announcement, we are conducting Phase III clinical studies with larger patient population for further verification of efficacy and safety.

Recombinant humanized anti-BTLA monoclonal antibody injection (code: TAB004/JS004)

TAB004/JS004 is the world's first-in-human recombinant humanized anti-BTLA monoclonal antibody for injection specific to B- and T- lymphocyte attenuator (BTLA) independently developed by us and commenced clinical trial. As of the date of this announcement, TAB004/JS004 has completed the dose-escalation stage in Phase Ia in the U.S. and entered the dose–expansion stage in Phase Ib/II. TAB004/JS004 also obtained IND approval from the NMPA in January 2020. The dosing of the first patient was completed in the Phase I clinical trial in China in April 2020, and the enrollment of patients for Phase I is currently underway. As of the date of this announcement, no other anti-tumor product with the same target in the world has entered the clinical stage.

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

TAB006/JS006 is a specific anti-TIGIT monoclonal antibody injection developed independently by us. According to the results of pre-clinical studies, TAB006/JS006 can specifically block TIGIT-PVR inhibitory pathway, stimulate the activation of killing immune cells to secrete tumor killing factors. TIGIT (T cell immunoglobulin and ITIM domain) is an emerging inhibitory receptor shared by NK cells and T cells, which can bind to PVR receptors highly expressed on tumor cells to mediate inhibitory signals of immune responses, thereby directly inhibit the killing effect of NK cells and T cells on tumor cells. The effect is similar to the inhibitory effect of PD-1 on T cells. A number of pre-clinical trial results show that anti-TIGIT antibody and anti-PD-1/PD-L1 antibody can play a synergistic antitumor effect. The combination of the two is a promising antitumor treatment strategy, which is expected to increase patients' response to immunotherapy and expand the range of potential beneficiaries. As of the date of this announcement, there is no product with similar targets approved for marketing domestically and overseas.

The clinical trial for TAB006/JS006 has been approved by the NMPA in January 2021. In February 2021, TAB006/JS006 obtained the clinical trial approval from the FDA for the treatment of advanced malignant tumors in the United States. The Company will conduct clinical trials of TAB006/JS006 in China and the United States soon in accordance with relevant regulations.

Recombinant humanized anti-Trop2 monoclonal antibody – tub196 conjugate (code: JS108)

JS108 is recombinant humanized anti-Trop2 monoclonal antibody – Tub196 conjugate for injection. Trop2 is an important factor in tumor development. It appears in a variety of tumors at high levels, including breast cancer, non-small cell lung cancer, small cell lung cancer, colon cancer, pancreatic cancer. It can promote tumor cell proliferation, invasion, metastasis, spread and other processes. Its high level of expression is closely related to the shortened survival and poor prognosis of tumor patients. Hence, cancer drug research that targets Trop2 is of great significance. In July 2020, the clinical trial application for JS108 was approved by the NMPA. In November 2020, JS108 completed the dosing of the first patient in Phase I clinical study (NCT04601285). The Phase I clinical study aims to evaluate the safety, tolerability, properties and effectiveness of JS108 for the treatment of subjects with advanced solid tumors. The study is divided into three phases: dose escalation phase, dose expansion phase and clinical expansion phase. The three phases are planned to enroll about 16-36, 12-27, and 60-90 patients respectively with advanced solid tumors.

PARP inhibitor senaparib (code: JS109)

Senaparib is a novel agent targeting PARP (poly-ADP ribose polymerase) developed by IMPACT Therapeutics. The Phase I data readout was first presented at the 2019 ASCO annual meeting, showing that senaparib had the potential to be the best-in-class PARP inhibitor with better safety profile and wider therapeutic window. In August 2020, the Company and IMPACT Therapeutics entered into an agreement to jointly form a company. The jointly formed company will mainly engage in the R&D and commercialization of small molecule anti-tumour drugs including senaparib. IMPACT Therapeutics will contribute for its interests by way of injection of the PARP inhibitor senaparib as an asset within the territories of mainland China, Hong Kong and Macau. The Company and IMPACT Therapeutics will each own 50% equity interests in the said company (please refer to the Company's announcements dated 20 and 26 August 2020 for further details). As of the date of this announcement, we are conducting a Phase II pivotal study of senaparib monotherapy in treating advanced ovarian cancer patients with BRCA mutation who have received at least 2 prior lines of standard treatment, and a Phase III study of senaparib as the first-line maintenance treatment in platinum-sensitive advanced ovarian cancer patients.

PD-1/TGF-β bifunctional fusion protein (code: JS201)

JS201 is a bifunctional fusion protein developed independently by us that simultaneously targets PD-1 and TGF-β (transforming growth factor-β). PD-1 and TGF-β usually show high expression at the same time in the tumor microenvironment. TGF-β is an important growth factor in immunosuppression, which in turn mediates the primary resistance of anti-PD-1 monoclonal antibody, thus blocking the two immunosuppressive signals simultaneously, i.e. PD-1 and TGF-β to play a synergistic antitumor effect. JS201 effectively blocks the PD-1/PDL1 and TGF-β immunosuppressive pathways and improves the immune regulation in the tumor microenvironment, and therefore stimulates the killing effect of the human immune system on tumor cells, effectively enhances the immune response, and reduces immune escape and drug resistance. In February 2021, we received the Acceptance Notice issued by the NMPA, and the clinical trial application of JS201 was accepted. As of the date of this announcement, there is no product with similar targets approved for marketing domestically and overseas.

XPO1 Inhibitor (code: JS110)

JS110 is a small molecule inhibitor of the nuclear export protein XPO1, which is clinically intended to treat patients with advanced tumors. According to the results of pre-clinical studies, JS110 specifically blocks the function of XPO1, inhibits the nuclear export of a variety of tumor suppressor proteins including p53, and strengthens the function of tumor suppressor proteins. JS110 inhibits the growth and induces death of a variety of tumor cells in vitro. In animal tumor models, JS110 monotherapy or combination therapy can inhibit the growth of a variety of blood and solid tumors. Due to its unique mechanism of action, the development of JS110 is expected to bring new treatments to patients with advanced tumors. In February 2021, Suzhou Junjing Biomedical Technology Co., Ltd.* (蘇州君境生物醫藥科技有限公司), which was jointly invested by the Company and Wigen Biomedicine, received the Acceptance Notice issued by the NMPA, and the clinical trial application of JS110 was accepted. Moreover, the Company has the world-wide exclusive production rights, licensed production rights and sales rights for JS110.

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

JS111 is a small molecule inhibitor that effectively inhibits uncommon EGFR (epidermal growth factor receptor) mutations. The uncommon EGFR mutations account for about 10% among all EGFR mutations, including EGFR exon 20 insertion, T790M point mutation and complex mutations, as well as sequence repeat mutations and other point mutations between exon 18 and 21 represented by G719X. Due to the limited clinical benefits from existing EGFR-TKI, chemotherapy and immunotherapy for patients with EGFR exon 20 insertion or other uncommon EGFR mutations in non-small cell lung cancer, patients have urgent demand for clinical treatments. Pre-clinical data showed that JS111 maintains the activity of inhibition for the common EGFR mutations such as T790M and selection of wild-type EGFR, while overcoming the insensitivity of the third-generation EGFR inhibitor for exon 20 insertion and other uncommon EGFR mutations. The development of JS111 is expected to bring new treatments for cancer patients with EGFR exon 20 insertion mutation and other uncommon EGFR mutations. In February 2021, Suzhou Junjing Biomedical Technology Co., Ltd.* (蘇州君境生物醫藥科技有限公司), which was jointly invested by the Company and Wigen Biomedicine, received the Acceptance Notice issued by the NMPA, and the clinical trial application of JS111 was accepted. Moreover, the Company has the world-wide exclusive production rights, licensed production rights and sales rights for JS111.

Pegylated uricase derivative (code: JS103)

JS103 is a pegylated uricase derivative developed independently by us that is mainly used for the treatment of hyperuricemia with or without gout. JS103 catalyses the oxidation of uric acid to form an allantoin with significantly higher solubility than that of uric acid, thereby achieving the effect of reducing blood uric acid. Hyperuricemia is a metabolic disorder syndrome caused by excessive production of uric acid or obstruction of uric acid excretion due to purine metabolic disorder, as a result of which uric acid exceeds the critical limits in blood. Gout is a crystal-associated arthropathy caused by the deposition of monosodium urate, which is directly related to hyperuricemia. According to the Guidelines for the Diagnosis and Treatment of Hyperuricemia and Gout in China (2019) (《中國高尿酸血症與痛風診療指南(2019)》), the overall prevalence of hyperuricemia and gout in China is 13.3% and 1.1%, respectively. Gout and associated diseases caused by hyperuricemia are among the most common chronic diseases in China. Therefore, the development of JS103 is expected to bring more treatment options to patients. In March 2021, we received the Acceptance Notice issued by the NMPA, and the clinical trial application of JS103 injection was accepted.

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

JS005 is a specific anti-IL-17A monoclonal antibody for injection developed independently by us. In May 2020, Phase I clinical trial of JS005 commenced in China and completed the dosing of the first subject. As of the date of this announcement, the Phase I clinical study has completed and the Phase II clinical trial is being conducted. In preclinical studies, JS005 has shown efficacy and safety comparable to those of marketed anti-IL-17 monoclonal antibodies. Preclinical study data fully shows that JS005 has a clear target, definite efficacy, good safety, stable production process, and controllable product quality.

Other co-development projects with domestic and overseas partners

In July 2020, we entered into a research collaboration and license agreement with Revitope. The parties will collaborate in the R&D of the next-generation of T-cell engaging cancer immunotherapies that utilize Revitope's *Precision*GA TE™ Technology Platform together with the Company's antibody technology platforms. Revitope will be responsible for designing up to 5 unique T-cell immunotherapeutic drugs against targets selected by the Company. The Company is granted a world-wide exclusive license on products that result from the agreement. For further details, please refer to the Company's announcement dated 14 July 2020.

In August 2020, we entered into a Technology License Contract for Intramolecular Disulfide Bond IL-2 Drugs with Beijing Leto Laboratories Technology Co., Ltd., and the Company will be granted a world-wide exclusive license to conduct preclinical development, clinical research and commercialization for IL-2 drugs (Code JS018) and use related patented technologies. As of the date of this announcement, such project is at the pre-clinical stage. For further details, please refer to the Company's announcement dated 28 August 2020.

In September 2020, we entered into a cooperation agreement with Wigen Biomedicine for the world-wide joint development, production and commercialization of four of Wigen Biomedicine's anti-tumor small molecule drug candidates (XPO1 inhibitor, Aurora-A inhibitor, EGFR-exon20 inhibitor and fourth-generation EGFR inhibitor). Wigen Biomedicine will transfer its 50% interest in the above product to the Company, and the Company will be granted world-wide exclusive production rights, licensed production rights and sales rights for the above drugs. For further details, please refer to the Company's announcement dated 16 September 2020.

In September 2020, we entered into a shareholders cooperation agreement with Beijing Eirene in relation to the formation of a joint venture company. The joint venture company will be mainly engaged in R&D, clinical application and market development of the CD39 drug. The joint venture company will be owned as to 50% by the Company and 50% by Beijing Eirene. CD39 is the enzyme responsible for the initial steps in the conversion of immune stimulatory extracellular ATP to immune suppressive adenosine in the tumor microenvironment, and plays an important role in the immune suppressive response in the tumor microenvironment. Studies have shown that CD39 has demonstrated high expression in various types of human tumors, including lymphoma, sarcoma, lung cancer, pancreatic cancer, ovarian cancer, renal cell cancer, thyroid cancer and testicular cancer. According to publicly available information, there are currently at least three CD39 targeted drugs entering the clinical trial on a global scale. The CD39 product has a unique and innovative design concept to achieve high efficacy and reduce potential systemic side effects by selectively targeting at the immune suppressive cells of the high expression CD39 in the tumor microenvironment. As of the date of this announcement, such project is at the pre-clinical stage. For further details, please refer to the Company's announcement dated 9 September 2020.

Our manufacturing facilities

We have two production bases. Among which, the Wujiang Production Base in Suzhou, with a 3,000L (6*500L) fermentation capacity, obtained GMP certification and is currently supporting the commercial production of TUOYI® and the production of clinical trial drugs of other drug candidates. The Lingang Production Base in Shanghai was constructed in accordance with the cGMP standard. The first phase of the project, with a production capacity of 30,000L (15*2,000L) was put into trial production at the end of 2019. It is currently conducting technology transfer of toripalimab, and supported the supply of drugs and drug substances for the clinical trial samples in the world-wide clinical trial of project JS016 during the Reporting Period. By virtue of economies of scale, the expansion of production capacity in Lingang Production Base provided the Company with a more competitive production cost and expedited the launch of new drugs by conducting more clinical trials. Based on the current R&D progress of product pipeline, we plan to further expand our production facilities for the provision of sufficient production capacity to match our gradually increasing and maturing drug candidates and support our continued business expansion in the future.

Other corporate development

- During the Reporting Period, in order to optimize the capital structure, focus more on the development of the principal business, improve operating efficiency, increase our investment in technology R&D, and better serve technological innovation, we made every effort to prepare for the listing of the Company's A shares on the STAR Market, which were successfully listed on the STAR Market on 15 July 2020.

- In July 2020, Rules 18A.09 to 18A.11 of the Hong Kong Listing Rules no longer applied to us as we had satisfied the market capitalization/revenue test under Rule 8.05(3) of the Hong Kong Listing Rules. The "B" marker has thus been removed from the Company's stock name and stock short name.

- In February 2021, the Company's A shares and H shares were included in the Stock Connect Southbound Trading. Hang Seng Indexes Company Limited announced the inclusion of the Company's H shares (1877.HK) in the Hang Seng Composite Index, the Hang Seng SmallCap Index, the Hang Seng Healthcare Index, the Hang Seng Stock Connect Hong Kong Index and the Hang Seng Stock Connect Hong Kong MidCap & SmallCap Index. The Company's A shares (688180.SH) were included in the STAR 50 index by the Shanghai Stock Exchange and China Securities Index Co., Ltd. with effect from 15 March 2021.

- In terms of innovative drug R&D, we continued to increase our R&D investment. During the Reporting Period, R&D expenses amounted to RMB1,778 million, representing a year-on-year increase of 88% compared with the same period last year, which strongly supported the R&D for our innovative drugs projects. As at the end of the Reporting Period, the Group owned 70 granted patents, of which 55 were domestic patents and 15 were overseas patents.

- As at the end of the Reporting Period, our team expanded to 2,453 employees, among which 667 are responsible for R&D, 912 are responsible for commercialization, 603 are responsible for production, 59 are responsible for finance, and 212 are responsible for general and administrative duties. We believe that our comprehensive and excellent team can provide tireless energy to support the Company in possessing numerous innovative drugs from R&D to commercialization.

Future and Outlook

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

Financial Review

1. Revenue

As at 31 December 2020, total operating revenue reached RMB1,595 million, representing a year-on-year increase of 106% compared with 2019, including: (i) revenue from pharmaceutical products of RMB1,102 million, increased by 42% compared with the corresponding period in 2019, of which RMB1,003 million came from toripalimab injection; and (ii) additional revenue from out-licensing of RMB405 million. The revenue from out-licensing mainly came from the research collaboration and license agreement entered into between the Company and Lilly in May 2020, where the Company granted Lilly a license to conduct research, development and commercialization of a recombinant fully human anti-SARS-CoV-2 monoclonal antibody injection (an innovative drug for the treatment and prevention of COVID-19).

2. R&D Expenses

R&D expenses mainly include clinical trial expenses, preclinical study costs, expenses of collaboration R&D projects, reagents and consumables, staff salary and welfare and depreciation and amortization.

During the years ended 31 December 2019 and 2020, R&D expenses amounted to RMB946 million and RMB1,778 million, respectively. The significant increase in R&D expenses in 2020 was mainly due to (i) the increase in investment in clinical and pre-clinical R&D to support the clinical trials of several new indications of the Company as well as the promising progress of pivotal clinical trials; (ii) expansion of various R&D pipelines through in-house, collaboration and license-in R&D activities; and (iii) increases in staff salary and welfare as a result of the expansion of the R&D team.

3. Selling and Distribution Expenses

Selling and distribution expenses mainly include selling staff costs, marketing and promotion activities and travelling cost.

During the years ended 31 December 2019 and 2020, selling and distribution expenses amounted to RMB320 million and RMB688 million, respectively. The significant increase in selling and distribution expenses in 2020 was mainly due to the strengthened marketing activities for our core product toripalimab and sales force expansion to enhance hospital coverage and market share for our products quickly.

4. Administrative Expenses

Administrative expenses mainly include administrative staff cost, office administration expenses, and depreciation and amortization.

During the years ended 31 December 2019 and 2020, administrative expenses amounted to RMB217 million and RMB443 million, respectively. The significant increase in administrative expenses in 2020 was mainly due to our business growth and organization expansion.

5. Liquidity and Capital Resources

As at 31 December 2020, bank balances and cash increased to RMB3,385 million from RMB1,214 million as at 31 December 2019. The increase in bank balances and cash mainly came from (i) funds raised from the listing of the Company's A shares on the STAR Market on 15 July 2020; and (ii) the increase in cash inflow from growth in sales revenue.

6. Non-IFRS Measures

To supplement the Group's consolidated financial statements which are prepared in accordance with the IFRS, the Company has provided adjusted total comprehensive expenses for the year (excluding effects from non-cash related items and one-off events which include but not limited to fair value changes of convertible loan notes, share-based payment expenses, net exchange losses, and listing expenses), as additional financial measures, which are not required by, or presented in accordance with, the IFRS. The Company believes that the non-IFRS financial measures are useful for understanding and assessing underlying business performance and operating trends, and that the Company's management and investors may benefit from referring to these non-IFRS financial measures in assessing the Group's financial performance by eliminating the impacts of certain unusual and non-recurring items that the Group does not consider indicative of the performance of the Group's business. However, the presentation of these non-IFRS financial measures is not intended to be considered in isolation or as a substitute for the financial information prepared and presented in accordance with the IFRS. You should not view the non-IFRS financial results on a stand-alone basis or as a substitute for results under the IFRS, or as being comparable to results reported or forecasted by other companies.

Non-IFRS adjusted total comprehensive expenses for the year

	Year ended 31 December	
	2020	2019
	RMB'000	*RMB'000*
IFRS total comprehensive expense for the year	**(1,687,567)**	(741,055)
Add:		
Loss on fair value changes of convertible loan notes measured at FVTPL	**–**	23,426
Listing expense	**1,102**	4,345
Share-based payment expenses	**30,728**	11,797
Net exchange losses	**11,672**	2,266
Adjusted total comprehensive expense for the year	**(1,644,065)**	(699,221)

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

The total proceeds from the issue of new H Shares by the Company in its listing of H shares on the Hong Kong Stock Exchange ("**H Share Listing**") (after deducting the underwriting fees and related listing expenses) amounted to approximately RMB3,003 million and the balance of unutilized net proceeds was approximately RMB107 million as at 31 December 2020 (the "**Unutilized Proceeds**"). The net proceeds from the H Share Listing (adjusted on a pro rata basis based on the actual net proceeds) have been and will be utilized in accordance with the purposes set out in the prospectus of the Company dated 11 December 2018 (the "**Prospectus**") and subsequently the announcements of the Company dated 29 August 2019 (the "**2019 Announcement**") and 28 August 2020 regarding the changes in use of proceeds from the H Share Listing.

	Planned use of proceeds as disclosed in the Prospectus		**Planned use of proceeds as disclosed in the 2019 Annual Report (including amount already utilized as at 31 December 2019)**		**Planned use of proceeds as disclosed in the 2020 Interim Report (including amount already utilized as at 30 June 2020)**		**Utilized Proceeds as at 31 December 2020**	**Unutilized Proceeds as at 31 December 2020**	**Expected timeline for application of the Unutilized Proceeds** *(Note 3)*
Planned Usage	*RMB'000*	**% of total proceeds**	*RMB'000*	**% of total proceeds**	*RMB'000*	**% of total proceeds**	*RMB'000*	*RMB'000*	
The R&D and commercialization of the Group's drug candidates	1,952,203	65%	2,162,440	72%	2,372,677	79%	2,270,018	102,659	Expected to be fully utilized by 31 December 2021
The R&D and commercialization of the Group's Core Product, JS001	1,201,356	40%	1,201,356	40%	1,291,457	43%	1,247,302	44,155	Expected to be fully utilized by 31 December 2021
The R&D of the Group's other drug candidates to fund clinical trials worldwide, including JS004, etc. *(Note 1a)*	480,542	16%	480,542	16%	600,678	20%	553,596	47,082	Expected to be fully utilized by 31 December 2021
The construction of, acquisition of facilities for and settlement of start-up costs on the Lingang Site and the Wujiang Site *(Note 1b)*	270,305	9%	480,542	16%	480,542	16%	469,120	11,422	Expected to be fully utilized by 31 December 2021
The Group's investment in the health care and/or life science sector(s), including acquisition of companies, licensing-in and collaboration *(Note 1c)*	750,847	25%	540,610	18%	330,373	11%	325,802	4,571	Expected to be fully utilized by 31 December 2022
The Group's working capital and other general corporate purposes	300,339	10%	300,339	10%	300,339 *(Note 2)*	10%	334,545 *(Note 2)*	71	Expected to be fully utilized by 31 December 2021
	3,003,389	**100%**	**3,003,389**	**100%**	**3,003,389**	**100%**	**2,930,365** *(Note 2)*	**107,301**	

Notes:

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

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

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

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

2. The sum of proceeds includes interests of RMB34 million generated from bank savings accounts in which the IPO proceeds have been deposited.

3. The expected timeline was based on the Company's estimation of future market conditions and business operations, and remains subject to change based on actual market conditions and business needs.

4. Any discrepancies in this table between totals and sums of amounts listed herein are due to rounding.

As approved by the China Securities Regulatory Commission (Zheng Jian Xu Ke [2020] No. 940) (證監許可[2020] 940號文), the Company issued 87,130,000 new ordinary shares (A shares) to the public in a public offering in July 2020 at the issue price of RMB55.50 per share. The gross proceeds amounted to RMB4,836 million. Net of issuance expenses of RMB339 million in accordance with the related requirements, the actual net proceeds amounted to RMB4,497 million. The net proceeds from the listing of A shares have been used and will be used in accordance with the uses disclosed in the Company's A share prospectus dated 22 June 2020.

	Planned use of proceeds *RMB' 000*	**Utilized proceeds as at 31 December 2020** *RMB' 000*	**Unutilized proceeds as at 31 December 2020** *RMB' 000*	**Expected timeline for application of the unutilized proceeds**
Committed investment projects				
Research and development projects of innovative drugs	1,200,000	474,780	725,220	Expected to be fully utilized by 31 December 2023
Junshi Biotech Industrialization Lingang Project	700,000	700,000	–	Was fully utilized by 31 December 2020
Repayment of bank loans and replenishment of liquidity	800,000	529,267	270,733	Expected to be fully utilized by 31 December 2023
Surplus proceeds	1,796,978	362,239	1,434,739	Expected to be fully utilized by 31 December 2023
Total	4,496,978	2,066,286	2,430,692	

RISK FACTORS

1. Risks related to profitability

As at the end of the Reporting Period, the Company has not yet achieved profitability. A long profit cycle is one of the most salient features of the biopharmaceutical industry. It typically takes a long time for a biopharmaceutical company at the R&D stage to grow before it becomes profitable. As an innovative biopharmaceutical business, the Company is currently in an important R&D investment phase, and our R&D investment is expected to increase significantly and consistently in line with the expansion of R&D pipeline and acceleration of domestic and overseas drug clinical trial activities. Our future profitability depends on how fast the drugs currently in development will be released and post-launch sales. On the other hand, heavy R&D investments and high marketing and operating costs will add uncertainties to the Company's profitability. Therefore, it is exposed to the risk of short-term unprofitability.

Toripalimab, the first commercialized product of the Company, has officially commenced sales since 2019. With the inclusion of toripalimab into the latest National Reimbursement Drug List, successive completion of registered clinical trials for more indications of toripalimab and the accelerated development of other drug candidates, the variety of indications and more commercialized products will further improve the Company's financial position and help creating the conditions for the Company to turn around as soon as possible.

2. Risks related to sharp decline in performance or loss

In 2020, the Company was still recording net loss attributable to owners of the Company, mainly because the operating income of the Company was not yet sufficient to fully cover R&D expenses in research projects and reserve R&D projects. During the Reporting Period, the Company's R&D expenses were approximately RMB1,778 million, representing a year-on-year increase of 88% compared to last year. The Company continuously enriched its product pipeline, explored the combination therapy of drugs, as well as accelerated the development of existing clinical projects and reserve R&D projects during the Reporting Period, leading to continuous growth of R&D expenses of the Company.

The Company reserved a number of research projects that are in the early pre-clinical research stage. In the future, the Company will continue to make substantial investment in R&D for the completion of pre-clinical research, clinical trials and NDA preparation of research projects and other product pipeline R&D. Besides, the Company's NDA, marketing of new drugs and other aspects will also incur high costs, which may cause a further increase in loss of the Company, thereby adversely affecting the Company's daily operations and financial position. During the Reporting Period, there was no material adverse changes in the principal business and core competitiveness of the Company.

3. Risks related to core competence

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

Among the six anti-PD-1 monoclonal antibodies that have been approved for sales in China, four domestic anti-PD-1 monoclonal antibodies, including the Company's toripalimab, have all been included in the National Reimbursement Drug List upon negotiations. In the future, the Company will face fierce market competition in terms of market share, market promotion and access to distribution.

4. Risks related to operations

The Company's business operations require certain R&D technical services and raw materials supply. Currently, the relationship between the Company and existing suppliers are stable. If the price of R&D technical services or raw materials rises sharply, the Company's profitability may be adversely affected. At the same time, the Company's suppliers may not be able to keep up with the rapid development of the Company, and there is a possibility of reducing or terminating the supply of the Company's R&D services and raw materials. If such R&D technical services or the supply of raw materials are disrupted, the Company's business operations may be adversely affected. Also, the Company's raw materials are mainly imported, directly or indirectly. If there are significant changes in the international trade situation, it may have a certain impact on the Company's production and operation.

The adjustment to the 2020 National Reimbursement Drug List has been completed. The Company's core product Toripalimab Injection has been included in Category B in the revised National Drug List for Basic Medical Insurance, Work-Related Injury Insurance and Maternity Insurance (2020 Edition), and is the only anti-PD-1 monoclonal antibody used in the treatment of melanoma in the revised National Reimbursement Drug List. The price drop after the inclusion into the drug list can effectively improve the accessibility and affordability of the Company's products, which is conducive to a significant increase in the sales of toripalimab. However, if the increase in sales is less than expected, it may adversely affect the Company's revenue.

5. Risks related to the industry

In view of the constant reforms in the medical and health system, the establishment of the new National Healthcare Security Administration, the implementation of a series of policies such as control on medical insurance fees, publication of the revised National Essential Medicine List, consistency evaluation, reform in drug approval, compliance regulations, the commencement of centralized procurement of "4+7" drugs on a trial basis and "zero tariff" on imported drugs, encouragement of innovation and reduction in drug prices by pharmaceutical enterprises have become a general trend, and the industry landscape is facing changes. If the Company fails to keep up with industry trends and continues to innovate in the future, or if there are adverse changes in related industrial policies, the Company's development may be negatively affected.

The Company always takes "innovation" as our goal of development. Except for UBP1211 and JS501 which are biosimilars, the other 28 drug candidates are all innovative drugs. In response to the above-mentioned industry and policy risks, the Company will adapt to changes in external policies, continue to improve our innovation capabilities and our ability to continuously develop new products, increase our R&D investments, accelerate the process of innovative drugs entering clinical trial and the market, and respond to challenges with innovation. On this basis, the Company will further expand our production capacity, and reduce the unit cost of our products while maintaining the quality of drugs produced, so as to address the possible price reduction of drugs in future. At the same time, we will adhere to compliance with the laws and regulations and adapt our business operations to changes in regulatory policies, so as to prevent policy risks.

6. Risks related to the macro environment

In the first quarter of 2020, the global outbreak of the COVID-19 pandemic adversely affected the normal operation of every industry. Although the Company's major business operations are not at the center of the pandemic, and toripalimab, which has been approved for marketing, is not a type of drug directly affected by the pandemic, the progress of the Company's clinical trial projects has been delayed to a certain extent, and the R&D and commercialization of toripalimab, our core product, is affected to some extent due to the factors such as healthcare resources tilting towards the prevention and control of COVID-19, the need for prevention and control of the pandemic, and the public anxiety about the pandemic.

Future changes in the international political, economic and market environment, especially the uncertainty of China-US trade relations, and the resulting additional tariffs or other restrictions that China and the United States may impose on cross-border technology transfer, investment and trade, may cause certain adverse effects on the Company's overseas business operations.

SUBSEQUENT EVENTS AFTER THE REPORTING PERIOD

Except as disclosed above, from the end of the Reporting Period and up to the date of this announcement, no important event has occurred.

ISSUE OF A SHARES AND LISTING ON THE STAR MARKET OF THE SHANGHAI STOCK EXCHANGE, STRATEGIC ALLOTMENT TO COLLECTIVE MANAGEMENT PLAN WHICH INVOLVES CONNECTED TRANSACTION AND DELISTING OF DOMESTIC SHARES FROM THE NATIONAL EQUITIES EXCHANGE AND QUOTATIONS

The Company was successfully listed on the STAR Market of the Shanghai Stock Exchange (the "**STAR Market Listing**") on 15 July 2020. The Company issued 87,130,000 new ordinary A shares at the issue price of RMB55.50 per A share, and raised approximately RMB4,836 million from the STAR Market Listing. After deducting the issuance expenses, the net proceeds raised amounted to approximately RMB4,497 million and will be mainly applied towards the R&D projects of innovative drugs, the Junshi Biotechnology Industrialization Lingang Project and repayment of bank loans and replenishment of liquidity.

As approved by the shareholders of the Company (the "**Shareholders**") at the 2020 secondary extraordinary general meeting of the Company held on 19 June 2020, certain senior management and core employees of the Company, including certain Directors (who were connected persons of the Company under Chapter 14A of the Hong Kong Listing Rules), participated in the strategic allotment of the issue of A shares through a collective management plan and a total of 4,645,421 A shares were issued to such collective management plan. Details of the above connected transaction are set out in the Company's announcements dated 27 May 2020 and 1 July 2020 and circular dated 27 May 2020.

The Company's domestic shares were delisted from the National Equities Exchange and Quotations since 8 May 2020, and were converted into A shares and listed on the STAR Market on 15 July 2020.

DIS-APPLICATION OF RULES 18A.09 TO 18A.11 OF THE HONG KONG LISTING RULES

The Company was a biotechnology company which listed its H shares on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**") on 24 December 2018 under Chapter 18A of the Hong Kong Listing Rules. As the Company had satisfied the market capitalization/revenue test under Rule 8.05(3) of the Hong Kong Listing Rules, the Company applied to the Hong Kong Stock Exchange pursuant to Rule 18A.12 of the Hong Kong Listing Rules, and the Hong Kong Stock Exchange granted approval on 9 July 2020, for the dis-application of Rules 18A.09 to 18A.11 of the Hong Kong Listing Rules to the Company. The "B" marker ceased to be affixed to the Company's stock name and stock short name with effect from 15 July 2020. For further details, please refer to the Company's announcements dated 10 July 2020 and 13 July 2020.

ADOPTION OF THE 2020 RESTRICTED A SHARE INCENTIVE SCHEME AND ISSUE AND GRANT OF NEW RESTRICTED A SHARES UNDER THE 2020 RESTRICTED A SHARE INCENTIVE SCHEME WHICH INVOLVES CONNECTED TRANSACTION

At the 2020 third extraordinary general meeting, the 2020 second class meeting of A Shareholders and the 2020 second class meeting of H Shareholders of the Company held on 16 November 2020, the Shareholders approved, among others, the resolutions regarding the adoption of the 2020 restricted A share incentive scheme of the Company (the "**Incentive Scheme**") (which involves the specific mandate for issue and allotment of the restricted A Shares of the Company (the "**Restricted Shares**") under the Incentive Scheme and the issue and grant of the Restricted Shares (including the grant to the connected participants under the first grant) under the Incentive Scheme), the adoption of the Assessment Management Measures for implementation of the Incentive Scheme and the authorization to be granted to the Board to deal with matters relating to the Incentive Scheme.

On 16 November 2020, the Board and the board of supervisors resolved to grant 28,519,000 Restricted Shares to 1,933 participants (including certain executive Directors and an associate of a non-executive Director, who were each a connected person of the Company under Chapter 14A of the Hong Kong Listing Rules) at the grant price of RMB55.50 per A share in the first grant of Restricted Shares under the Incentive Scheme.

For details of the Incentive Scheme, the issue and grant of Restricted Shares under the Incentive Scheme and subsequent adjustments to the list of participants and number of Restricted Shares to be granted under the Incentive Scheme, please refer to the Company's announcements dated 30 September 2020 and 16 November 2020, and circular dated 22 October 2020.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

As disclosed in the paragraph headed "ISSUE OF A SHARES AND LISTING ON THE STAR MARKET OF THE SHANGHAI STOCK EXCHANGE" above, the Company issued 87,130,000 new A shares in its STAR Market Listing on 15 July 2020.

On 2 November 2020, the Company issued 1,219,500 new A shares pursuant to the exercise of pre-IPO share options granted under the pre-IPO share incentive scheme of the Company by eligible employees (further details of the pre-IPO share incentive scheme and the amendments thereto are set out in the Company's prospectus dated 11 December 2018, supplemental circular dated 27 May 2019, circular dated 20 April 2020, and further details of the exercise of pre-IPO share options for the first exercise period under the pre-IPO share incentive scheme are set out in the Company's overseas regulatory announcements dated 28 August 2020 and 2 November 2020).

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

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

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

AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF THE COMPANY

At the Company's 2020 first extraordinary general meeting held on 3 February 2020, the Shareholders passed a special resolution in relation to the amendments to the Articles of Association of the Company (the "**Articles of Association**"). The amendments were in relation to the convening of the general meetings of the Company. The amended Articles of Association became effective on 3 February 2020. For further details of the said amendments to the Articles of Association, please refer to the Company's circular dated 3 December 2019.

At the Company's 2018 annual general meeting, 2019 first class meeting of domestic Shareholders and 2019 first class meeting of H Shareholders held on 17 June 2019, the Shareholders passed special resolutions in relation to the amendments to the Articles of Association in connection with the STAR Market Listing. The amended Articles of Association became effective upon the completion of the STAR Market Listing on 15 July 2020. For further details of the said amendments to the Articles of Association, please refer to the Company's supplemental circular dated 27 May 2019.

At the Company's 2020 third extraordinary general meeting, 2020 second class meeting of A Shareholders and 2020 second class meeting of H Shareholders held on 16 November 2020, the Shareholders passed special resolutions in relation to the amendments to the Articles of Association. The amendments were in relation to, among others, the results of the STAR Market Listing and the convening of the general meetings and class meetings of the Company. The amended Articles of Association became effective on 16 November 2020. For further details of the said amendments to the Articles of Association, please refer to the Company's circular dated 22 October 2020.

CHANGES IN THE BOARD OF DIRECTORS, BOARD COMMITTEES AND SUPERVISORS DURING THE REPORTING PERIOD

During the Reporting Period and up to the date of this announcement, the composition of the Board of Directors and the board (the "**Board of Supervisors**") of supervisors (the "**Supervisors**") of the Company changed as follows:

Dr. He Jia	–	resigned as an independent non-executive Director, chairman of each of the audit committee of the Company (the "**Audit Committee**") and the remuneration and appraisal committee of the Company (the "**Remuneration and Appraisal Committee**") and member of the strategic committee of the Company (the "**Strategic Committee**") on 26 April 2020; effective on 19 June 2020
Mr. Zhang Chun	–	appointed as an independent non-executive Director, chairman of each of the Audit Committee and the Remuneration and Appraisal Committee and member of the Strategic Committee on 19 June 2020, effective on the same day
Mr. Chen Xinjun	–	resigned as an independent non-executive Director, chairman of the nomination committee of the Company (the "**Nomination Committee**"), and member of each of the Audit Committee and the Remuneration and Appraisal Committee on 24 July 2020; effective on 16 November 2020

Dr. Wu Hai	–	re-designated from an executive Director to a non-executive Director, effective on 14 October 2020
Dr. Jiang Hualiang	–	appointed as an independent non-executive Director, chairman of the Nomination Committee and member of the Remuneration and Appraisal Committee on 16 November 2020, effective on the same day
Ms. Nie Anna	–	resigned as an employee representative Supervisor on 16 November 2020; effective on the same day
Mr. Fu Cexiong	–	appointed as an employee representative Supervisor on 16 November 2020; effective on the same day

RE-ELECTION OF DIRECTORS AND SUPERVISORS

The service term of the second session of the Board of Directors of the Company and the second session of the Board of Supervisors of the Company will expire at the conclusion of the 2020 AGM. On 30 March 2021, the Nomination Committee of the Company nominated all members of the second session of the Board of Directors of the Company (namely, Mr. Xiong Jun, Dr. Li Ning, Dr. Feng Hui, Mr. Zhang Zhuobing and Dr. Yao Sheng, who are the executive Directors, Dr. Wu Hai, Mr. Tang Yi, Mr. Li Cong, Mr. Yi Qingqing and Mr. Lin Lijun, who are the non-executive Directors, and Dr. Chen Lieping, Mr. Qian Zhi, Mr. Zhang Chun, Dr. Jiang Hualiang and Dr. Roy Steven Herbst, who are the independent non-executive Directors) to the Board for it to recommend to the Shareholders for re-election at the 2020 AGM. The nominations were made in accordance with the Company's terms of reference of the Nomination Committee and the board diversity policy. Each of Dr. Jiang Hualiang and Mr. Xiong Jun, and Mr. Qian Zhi, who are chairman and members of the Nomination Committee, abstained from voting at the Nomination Committee meeting in respect of his own nomination. On 30 March 2021, the second session of the Board of Supervisors of the Company nominated Mr. Wu Yu and Ms. Wang Pingping to the Shareholders for re-election at the 2020 AGM as non-employee representative Supervisors of the third session of the Board of Supervisors. The employee representative Supervisor of the third session of the Board of Supervisors will be elected at the employee representatives meeting to be held.

CORPORATE GOVERNANCE

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

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

AUDIT COMMITTEE

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

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

DISTRIBUTABLE RESERVES

As at 31 December 2020, the Company did not have any distributable reserves.

FINAL DIVIDENDS

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

ANNUAL GENERAL MEETING

The 2020 annual general meeting of the Company (the "**AGM**") will be held on Tuesday, 29 June 2021. The notice of AGM has been published on the websites of the Company (www.junshipharma.com) and the Hong Kong Stock Exchange (www.hkexnews.hk) and dispatched to the Shareholders on 30 March 2021.

CLOSURE OF THE REGISTER OF MEMBERS OF H SHARES

The register of members of H Shares of the Company will be closed from Monday, 21 June 2021 to Tuesday, 29 June 2021, both days inclusive, during which period no transfer of H Shares of the Company will be registered, in order to determine the identity of the holders of H Shares of the Company who are entitled to attend and vote at the forthcoming AGM to be held on Tuesday, 29 June 2021. In order to be eligible to attend and vote at the AGM, all transfers of the H Shares accompanied by the relevant share certificates and transfer forms must be lodged with the Company's H Share registrar, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong before 4:30 p.m. on Friday, 18 June 2021 (Hong Kong time), being the last share registration date.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2020

		Year ended 31 December	
		2020	2019
	NOTES	***RMB'000***	*RMB'000*
Revenue	*3*	**1,594,897**	775,089
Cost of sales and services		**(372,531)**	(90,684)
Gross profit		**1,222,366**	684,405
Other income		**77,454**	60,768
Other gains and losses		**27,591**	21,222
Impairment losses under expected credit loss model, net of reversal		**(255)**	1,038
Research and development expenses		**(1,778,023)**	(946,100)
Selling and distribution expenses		**(687,971)**	(320,056)
Administrative expenses		**(443,346)**	(216,889)
Share of loss of a joint venture		**(1)**	(5)
Share of losses of associates		**(3,804)**	(2,522)
Other expenses		**(54,081)**	(31,685)
Finance costs		**(29,391)**	(13,300)
Loss before tax		**(1,669,461)**	(763,124)
Income tax credit	*4*	**3,822**	18,891
Loss for the year		**(1,665,639)**	(744,233)
Other comprehensive (expense) income for the year			
Exchange differences arising on translation of foreign operations		**(21,928)**	3,178
Total comprehensive expense for the year		**(1,687,567)**	(741,055)
Loss for the year attributable:			
Owners of the Company		**(1,665,639)**	(743,922)
Non-controlling interests		**–**	(311)
		(1,665,639)	(744,233)
Total comprehensive expense for the year attributable to:			
Owners of the Company		**(1,687,567)**	(740,744)
Non-controlling interests		**–**	(311)
		(1,687,567)	(741,055)
Loss per share	*5*		
Basic (RMB yuan)		**(2.02)**	(0.95)
Diluted (RMB yuan)		**(2.02)**	(0.95)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2020

		At 31 December	
		2020	2019
	NOTES	***RMB'000***	*RMB'000*
Non-current assets			
Property, plant and equipment		**2,348,155**	1,827,868
Right-of-use assets		**186,239**	179,518
Intangible assets		**31,019**	6,291
Interests in joint ventures		**1,021**	1,022
Interests in associates		**65,150**	71,224
Deferred tax assets		**26,113**	20,590
Other assets, prepayments and other receivables		**297,725**	335,466
Other financial assets	*8*	**356,725**	69,345
		3,312,147	2,511,324
Current assets			
Inventories		**343,425**	180,666
Trade receivables	*7*	**663,323**	157,416
Other assets, prepayments and other receivables		**306,954**	352,163
Other financial assets	*8*	**17**	17
Restricted bank deposits		**–**	6,828
Bank balances and cash		**3,384,998**	1,214,026
		4,698,717	1,911,116
Current liabilities			
Trade and other payables	*9*	**1,215,016**	514,639
Borrowings	*10*	**252,346**	76,891
Lease liabilities		**25,220**	13,846
		1,492,582	605,376
Net current assets		**3,206,135**	1,305,740
Total assets less current liabilities		**6,518,282**	3,817,064

	NOTES	At 31 December 2020 RMB'000	2019 RMB'000
Non-current liabilities			
Borrowings	*10*	**542,222**	744,896
Deferred income		**103,809**	56,320
Lease liabilities		**30,991**	27,332
		677,022	828,548
Net assets		**5,841,260**	2,988,516
Capital and reserves			
Share capital	*11*	**872,496**	784,147
Reserves		**4,968,767**	2,204,372
Equity attributable to owners of the Company		**5,841,263**	2,988,519
Non-controlling interests		**(3)**	(3)
Total equity		**5,841,260**	2,988,516

1. GENERAL

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

The principal activities of the Company and its subsidiaries (the "**Group**") are mainly discovery, development and commercialisation of innovative drugs.

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

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

Amendments to IFRSs that are mandatorily effective for the current year

The Group has applied *the Amendments to References to the Conceptual Framework in IFRS Standards* and the following amendments to IFRSs issued by the International Accounting Standards Board (the "**IASB**") for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2020 for the preparation of the consolidated financial statements:

Amendments to IAS 1 and IAS 8	Definition of Material
Amendments to IFRS 3	Definition of a Business
Amendments to IFRS 9, IAS 39 and IFRS 7	Interest Rate Benchmark Reform

In addition, the Group has early applied the Amendments to IFRS 16 *COVID-19-Related Rent Concessions*.

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

Impacts on application of Amendments to IAS 1 and IAS 8 Definition of Material

The Group has applied the Amendments to IAS 1 and IAS 8 for the first time in the current year. The amendments provide a new definition of material that states "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity". The amendments also clarify that materiality depends on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements taken as a whole.

The application of the amendments in the current year had no impact on the consolidated financial statements.

Impacts on early application of Amendment to IFRS 16 COVID-19-Related Rent Concessions

The Group has applied the amendment for the first time in the current year. The amendment introduces a new practical expedient for lessees to elect not to assess whether a COVID-19-related rent concession is a lease modification. The practical expedient only applies to rent concessions occurring as a direct consequence of the COVID-19 that meets all of the following conditions:

- the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- any reduction in lease payments affects only payments originally due on or before 30 June 2021; and
- there is no substantive change to other terms and conditions of the lease.

A lessee applying the practical expedient accounts for changes in lease payments resulting from rent concessions the same way it would account for the changes applying IFRS 16 *Leases* if the changes were not a lease modification. Forgiveness or waiver of lease payments are accounted for as variable lease payments. The related lease liabilities are adjusted to reflect the amounts forgiven or waived with a corresponding adjustment recognised in the profit or loss in the period in which the event occurs.

The application of the amendment had no impact to the opening accumulated losses at 1 January 2020.

New and amendments to IFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to IFRSs that have been issued but not yet effective:

IFRS 17	Insurance Contracts and the related Amendments[1]
Amendments to IFRS 3	Reference to the Conceptual Framework[2]
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	Interest Rate Benchmark Reform – Phase 2[4]
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
Amendments to IAS 1	Classification of Liabilities as Current or Non-current[1]
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies[1]
Amendments to IAS 8	Definition of Accounting Estimates[1]
Amendments to IAS 16	Property, Plant and Equipment – Proceeds before Intended Use[2]
Amendments to IAS 37	Onerous Contracts – Cost of Fulfilling a Contract[2]
Amendments to IFRS Standards	Annual Improvements to IFRS Standards 2018 – 2020[2]

1 Effective for annual periods beginning on or after 1 January 2023
2 Effective for annual periods beginning on or after 1 January 2022
3 Effective for annual periods beginning on or after a date to be determined
4 Effective for annual periods beginning on or after 1 January 2021

3. REVENUE AND SEGMENT INFORMATION

An analysis of the Group's revenue for the year is as follows:

	2020	2019
	RMB'000	*RMB'000*
Sale of pharmaceutical products	**1,102,278**	774,124
Sub-licensing income	**405,103**	–
Service income	**87,516**	965
	1,594,897	775,089

Sales of pharmaceutical products

Revenue from sales of pharmaceutical products is recognised when control of the goods has transferred, being when the goods have been delivered to the customer's specific location. Following delivery, the customer bears the risks of obsolescence and loss in relation to the goods. The normal credit term is 35 to 65 days (2019: 35 to 45 days) upon delivery.

The transaction price received by the Group is recognised as a contract liability until the goods have been delivered to the customer. All sales of goods are for a period of one year or less.

Sub-licensing income

During the year ended 31 December 2020, the Group entered into a license agreement with an independent third party ("**Licensor**"), under which the Group obtained a worldwide exclusive and sub-licensable right to develop, manufacture and commercialise of a potential therapeutic antibodies product. The Group subsequently entered into a sub-licence agreement with independent third party ("**Licensee**") for the right to develop, manufacture and commercialise that potential product in the territory other than the PRC. The Group received an upfront fee of USD10,000,000 (equivalent to RMB70,956,000) and milestone payments of USD50,000,000 (equivalent to RMB334,147,000) during the year ended 31 December 2020 and the Group may receive remaining milestone payments up to an aggregate amount of USD195,000,000 before sales-based royalty arrangement. As at 31 December 2020, the Group has fulfilled the performance obligation at a point in time and therefore, the upfront payment and milestone payments are recognised as sub-licensing income during the year ended 31 December 2020.

Service income

Following the sub-licensing arrangement mentioned at above, the Group also provided research and development services to the Licensee. The consideration of the research and development services are USD12,378,000 (equivalent to RMB87,232,000).

As at 31 December 2020, the Group has fulfilled the performance obligation of the research and development services at a point in time and therefore, RMB87,516,000 (2019: RMB965,000) is recognised as service income during the year ended 31 December 2020. The normal credit term is 60 days (2019: 90 days) upon issuance of invoices.

The transaction price received by the Group is recognised as a contract liability until the services have been delivered to the customer. All sales of services are for a period of one year or less.

4. INCOME TAX CREDIT

	Year ended 31 December	
	2020	2019
	RMB'000	*RMB'000*
Current tax		
PRC Enterprise Income Tax ("**EIT**")	**1,695**	–
Under provision in prior year:		
United States Corporate Income Tax	**6**	411
	1,701	411
Deferred tax	**(5,523)**	(19,302)
	(3,822)	(18,891)

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

The Company and its wholly-owned subsidiary, Shanghai Junshi Biotechnology Co., Ltd.* 上海君實生物工程有限公司has been accredited as a "High and New Technology Enterprise" by the Science and Technology Bureau of Shanghai and relevant authorities on 18 November 2020 and 2 November 2018 for a term of three years from 2020 to 2023 and 2018 to 2021 respectively, and has been registered with the local tax authorities for enjoying the reduced 15% EIT rate. Accordingly, the profit derived by the Company and the subsidiary is subject to 15% EIT rate for the reporting period. the qualification as a High and New Technology Enterprise will be subject to review by the relevant tax authorities in the PRC for every three years.

For both years, the Tax Cuts and Jobs Act of 2017 ("**Act**") reduces the US Federal Corporate Income rate to a flat rate of 21% for tax years beginning after 2017.

TopAlliance Biosciences Inc., a wholly-owned subsidiary of the Company, is subject to the US California Corporate Income Tax rate of 8.84% (2019: 8.84%) for the year ended 31 December 2020. No provision for taxation in the United States has been made as TopAlliance Biosciences Inc. has sufficient tax losses brought forward to set off against assessable profit for both years.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

No provision for taxation has been made as the Group has no assessable profit for the year ended 31 December 2019.

5. LOSS PER SHARE

(a) Basic

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

	Year ended 31 December	
	2020	2019
	RMB'000	*RMB'000*
Loss for the year attributable to owners of the Company for the purpose of basic loss per share	**(1,665,639)**	(743,922)

Number of shares:

	Year ended 31 December	
	2020	2019
Weighted average number of ordinary shares for the purpose of basic loss per share	**824,816,637**	783,624,056

(b) Diluted

The Company granted share options on 14 May 2018 and granted Restricted Share Units ("**RSUs**") on 16 November 2020. The computation of diluted loss per share for the year ended 31 December 2020 and 31 December 2019 do not assume the exercise of the Company's outstanding share options and RSUs as this would result in a decrease in loss per share.

6. DIVIDENDS

No dividend was paid or declared by the Company during the years ended 31 December 2020 and 2019, nor has any dividend been declared since the end of the reporting period.

7. TRADE RECEIVABLES

	At 31 December	
	2020	2019
	RMB'000	*RMB'000*
Trade receivables	**589,207**	157,505
Trade receivables backed by bank bills	**74,116**	–
	663,323	157,505
Less: Allowance for credit losses	**–**	(89)
	663,323	157,416

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

As at 1 January 2019, the Group has no trade receivables and trade receivables backed by bank bills from contracts with customers.

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

	At 31 December	
	2020	2019
	RMB'000	*RMB'000*
0 – 30 days	**573,437**	96,647
31 – 90 days	**27,876**	60,235
91 – 180 days	**61,103**	534
Over 180 days	**907**	–
	663,323	157,416

As at 31 December 2020, included in the Group's trade receivables balance are debtors with aggregate carrying amount of RMB61,583,000 (2019: RMB8,540,000) which are past due as at the reporting date. Out of the past due balances, no trade receivables has been past due 90 days or more for both years.

As at 31 December 2020, total bills received amounting to RMB74,116,000 (2019: nil) are held by the Group for future settlement of trade receivables. All bills received by the Group are with a maturity period of less than one year.

8. OTHER FINANCIAL ASSETS

	At 31 December	
	2020	2019
	RMB'000	*RMB'000*
Current assets		
Financial assets measured at FVTPL		
– Fund	**17**	17
Non-current assets		
Financial assets measured at FVTPL		
– Unlisted equity investment in partnership *(Note a)*	**77,030**	–
– Unlisted equity investments *(Note b)*	**133,007**	69,345
– Investments in preference shares *(Note c)*	**146,688**	–
	356,725	69,345

Notes:

(a) The amount represents unlisted equity investment in limited partnership enterprise ("**Partnership Enterprise**"), which is specialised in making equity investment. According to the Partnership Enterprise agreement, the Group does not have any right on making operating, investing and financing decisions of the Partnership Enterprise.

(b) The amounts represent unlisted equity interest in entities established in the PRC which are mainly engaged in drug discovery. These investments are not held for trading but for long-term strategic purposes.

(c) The amounts represent investments in preference shares in unlisted entities established in the PRC, the USA and the Cayman Islands, which are mainly engaged in drug discovery. For the investment in preference shares in an unlisted entity established in the Cayman Islands with fair value of RMB68,199,000, one out of seven members in the board of directors is designated by the Group.

9. TRADE AND OTHER PAYABLES

	At 31 December	
	2020	2019
	RMB'000	*RMB'000*
Trade payables	**90,706**	74,616
Accrued expenses in respect of:		
– construction costs of construction in progress	**106,018**	112,561
– research and development expenses *(Note a)*	**215,933**	98,561
– selling and distribution expenses	**31,656**	14,979
– payment to Licensor *(Note b)*	**210,552**	–
– payment to a collaboration party under collaboration agreement *(Note c)*	**30,149**	–
– others	**48,330**	30,004
Accrual for healthcare program	**64,354**	–
Salary and bonus payables	**205,026**	113,311
Other tax payables	**19,620**	10,409
Payables for issue costs	**–**	13,565
Capital contribution payable to an investment in preference shares *(Note d)*	**68,199**	–
Non-refundable deposit received from sub-license agreement	**32,625**	–
Other payables	**91,848**	46,633
	1,215,016	514,639

Payment terms with suppliers are mainly with credit term of 15 days to 60 days (2019: 15 days to 60 days) from the time when the goods and services are received from the suppliers. The following is an aging analysis of trade payables presented based on invoice date at the end of the reporting period:

	At 31 December	
	2020	2019
	RMB'000	*RMB'000*
0 – 30 days	**74,433**	58,726
31 – 60 days	**4,316**	2,946
61 – 180 days	**2,009**	11,426
Over 180 days	**9,948**	1,518
	90,706	74,616

Notes:

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

(b) Under the License Agreement as set out in Note 3, the Licensor is entitled to a portion of sub-licensing income received by the Group from the Licensee. Amount represents sub-license income accrual to Licensor at the end of reporting period, which is repayable upon 30 days after issuance of invoice.

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

(d) Amount represents capital contribution payable to an investment in preference shares.

10. BORROWINGS

	At 31 December	
	2020	2019
	RMB'000	*RMB'000*
Bank borrowings		
– secured	**774,568**	746,085
– unsecured	**20,000**	75,702
	794,568	821,787
The maturity profile of bank borrowings is as follows:		
– within one year	**252,346**	76,891
– within a period of more than one year but not exceeding two years	**542,222**	–
– within a period of more than two years but not exceeding five years	**–**	744,896
	794,568	821,787
Less: Amount due within one year shown under current liabilities	**(252,346)**	(76,891)
Amount shown under non-current liabilities	**542,222**	744,896

11. SHARE CAPITAL

	Total number of shares	**Amount** *RMB'000*
Registered, issued and fully paid at RMB1.0 per share:		
At 1 January 2019	760,310,000	760,310
H shares issued upon over-allotment options exercised *(Note a)*	23,836,500	23,837
At 31 December 2019	784,146,500	784,147
A shares issued upon listing on the STAR Market *(Note b)*	87,130,000	87,130
Exercise of share options	1,219,500	1,219
At 31 December 2020	872,496,000	872,496

Notes:

(a) On 9 January 2019, the Company issued 23,836,500 new H shares at HK$19.38 (equivalent to RMB16.94) per share for a total gross proceeds of HK$461,951,000 (equivalent to RMB403,838,000) from the exercise of over-allotment options from initial public offering of the Company on the Stock Exchange. The proceeds of RMB23,836,500 representing the par value of the shares of the Company, were credited to the Company's share capital. The remaining proceeds of RMB380,001,500 were credited to the share premium account of the Company.

(b) On 15 July 2020, the Company completed an issued 87,130,000 A shares at RMB55.50 per share for a total gross proceeds of RMB4,835,715,000 from the listing on the STAR Market of the Shanghai Stock Exchange. The proceeds of RMB87,130,000 representing the par value of the shares of the Company, were credited to the Company's share capital. The remaining proceeds of RMB4,748,585,000 were credited to share premium account of the Company. On the same date, the Company's A shares were listed on the STAR Market of the Shanghai Stock Exchange.

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

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

The following financial information is extracted from the Company's 2020 annual report published on the website of the Shanghai Stock Exchange, which is prepared in accordance with the PRC Generally Accepted Accounting Principles.

CONSOLIDATED BALANCE SHEET

31 December 2020

Unit: Yuan Currency: RMB

Item	**31 December 2020**	31 December 2019
Current assets:		
Cash and bank balances	**3,384,997,561.89**	1,220,853,588.61
Held-for-trading financial assets	**17,102.05**	16,696.16
Notes receivable	**74,115,760.11**	–
Accounts receivable	**590,324,155.59**	163,210,266.97
Prepayments	**258,178,283.57**	297,742,486.41
Other receivables	**22,840,431.36**	9,696,696.56
Including: Interest receivable	**–**	–
Dividend receivable	**–**	–
Inventories	**343,425,428.27**	180,665,713.58
Non-current assets due within one year	**3,524,807.19**	–
Other current assets	**21,293,154.01**	38,930,814.57
Total current assets	**4,698,716,684.04**	1,911,116,262.86

Item	31 December 2020	31 December 2019
Non-current assets:		
Long-term equity investments	**66,171,419.68**	72,245,777.05
Other non-current financial assets	**356,724,866.15**	69,345,791.00
Fixed assets	**1,905,914,113.97**	328,439,508.15
Construction in progress	**415,550,140.47**	1,479,708,403.83
Right-of-use assets	**55,169,735.03**	42,889,418.14
Intangible assets	**162,088,048.23**	142,919,408.69
Long-term prepaid expenses	**13,236,525.11**	9,233,800.43
Deferred tax assets	**26,112,859.60**	20,589,695.03
Other non-current assets	**297,725,113.86**	335,466,543.89
Total non-current assets	**3,298,692,822.10**	2,500,838,346.21
Total assets	**7,997,409,506.14**	4,411,954,609.07
Current liabilities:		
Short-term loans	**21,234,648.29**	76,891,463.18
Accounts payable	**797,697,494.08**	326,687,244.94
Contract liabilities	**43,142,036.14**	–
Payroll payable	**205,025,983.28**	113,311,444.82
Taxes payable	**19,619,540.34**	10,408,676.82
Other payables	**129,413,494.77**	37,080,689.59
Including: Interest payable	**–**	–
Dividend payable	**–**	–
Non-current liabilities due within one year	**256,331,193.26**	13,845,551.04
Total current liabilities	**1,472,464,390.16**	578,225,070.39

Item	31 December 2020	31 December 2019
Non-current liabilities:		
Long-term borrowings	**542,222,222.23**	744,896,108.25
Lease liabilities	**30,991,342.99**	27,332,442.01
Provisions	**1,280,411.10**	–
Deferred income	**103,808,732.94**	56,319,908.27
Other non-current liabilities	**18,837,294.77**	27,151,229.26
Total non-current liabilities	**697,140,004.03**	855,699,687.79
Total liabilities	**2,169,604,394.19**	1,433,924,758.18
Owners' equity (or shareholders' equity):		
Share capital	**872,496,000.00**	784,146,500.00
Capital reserves	**8,632,380,276.66**	4,180,418,778.52
Other comprehensive income	**-9,392,471.15**	12,535,946.17
Retained earnings	**-3,667,675,273.11**	-1,999,068,441.43
Total equity attributable to owners of the Company	**5,827,808,532.40**	2,978,032,783.26
Minority interests	**-3,420.45**	-2,932.37
Total equity	**5,827,805,111.95**	2,978,029,850.89
Total liabilities and equity	**7,997,409,506.14**	4,411,954,609.07

CONSOLIDATED INCOME STATEMENT

January-December 2020

Unit: Yuan Currency: RMB

Item	2020	2019
I. Total operating income	**1,594,896,563.71**	775,089,154.20
Including: Operating income	**1,594,896,563.71**	775,089,154.20
II. Total operating costs	**3,307,229,015.83**	1,567,882,351.68
Including: Operating costs	**372,531,315.44**	90,684,339.75
Taxes and surcharges	**7,720,723.16**	7,300,063.39
Selling expenses	**687,970,918.08**	320,056,112.84
Administrative expenses	**439,796,769.56**	216,922,823.69
R&D expenses	**1,778,022,998.63**	946,099,973.50
Financial expenses	**21,186,290.96**	-13,180,961.49
Including: Interest expenses	**26,311,978.22**	7,151,206.06
Interest income	**20,278,062.35**	29,222,164.56
Add: Other gains	**18,454,780.22**	31,263,753.03
Investment gains ("-" for losses)	**-5,621,281.37**	-1,828,126.56
Including: Gains from investments in associates and joint ventures	**-3,805,232.03**	-2,527,484.35
Gains from changes in fair value ("-" for losses)	**46,041,869.09**	23,426,989.64
Credit impairment loss ("-" for losses)	**-254,733.11**	1,038,413.21
Impairment loss of assets ("-" for losses)	**-4,227,129.84**	–
Gains from disposal of assets ("-" for losses)	**1,856,958.28**	6,674.49
III. Operating revenue ("-" for losses)	**-1,656,081,988.85**	-738,885,493.67
Add: Non-operating income	**38,721,476.92**	282,327.48
Less: Non-operating expenses	**55,068,741.61**	28,016,262.84
IV. Total profit ("-" for total losses)	**-1,672,429,253.54**	-766,619,429.03
Less: Income tax expenses	**-3,821,933.78**	-18,890,636.31

Item	2020	2019
V. Net profit ("-" for net losses)	**-1,668,607,319.76**	-747,728,792.72
1. Net profit from continuous operations ("-" for net losses)	**-1,668,607,319.76**	-747,728,792.72
2. Net profit from discontinued operations ("-" for net losses)	**–**	–
3. Net profit attributable to the shareholders of the Company ("-" for net losses)	**-1,668,606,831.68**	-747,417,849.17
4. Profit or loss attributable to minority interests ("-" for net losses)	**-488.08**	-310,943.55
VI. Other comprehensive income after-tax, net	**-21,928,417.32**	3,178,464.01
(I) Other comprehensive income after-tax attributable to owners of the Company, net	**-21,928,417.32**	3,178,464.01
1. Other comprehensive income that cannot be reclassified into profit or loss	**–**	–
(1) Changes arising from remeasurement of defined benefit plan	**–**	–
(2) Other comprehensive income that cannot be reclassified to profit or loss using the equity method	**–**	–
(3) Changes in fair value of other equity instrument investments	**–**	–
(4) Change in fair value due to enterprise's own credit risk	**–**	–
2. Other comprehensive income that can be reclassified to profit or loss	**-21,928,417.32**	3,178,464.01
(1) Other comprehensive income that can be transferred to profit or loss using the equity method	**–**	–
(2) Changes in fair value of other debt investments	**–**	–
(3) Financial assets reclassified to other comprehensive income	**–**	–
(4) Credit impairment provision for other debt investments	**–**	–
(5) Cash flow hedging reserves		
(6) Difference arising on translation of foreign currency financial statements	**-21,928,417.32**	3,178,464.01
(7) Others	**–**	–
(II) Other net comprehensive income after-tax attributable to minority shareholders	**–**	–

Item	2020	2019
VII. Total comprehensive income	**-1,690,535,737.08**	-744,550,328.71
(I) Total comprehensive income attributable to owners of the Company	**-1,690,535,249.00**	-744,239,385.16
(II) Total comprehensive income attributable to minority shareholders	**-488.08**	-310,943.55
VIII. Earnings per share:		
(I) Basic earnings per share (RMB/Share)	**-2.03**	-0.96
(II) Diluted earnings per share (RMB/Share)	**-2.03**	-0.96

CONSOLIDATED CASH FLOW STATEMENT

January-December 2020

Unit: Yuan Currency: RMB

Item	2020	2019
I. Cash flows from operating activities:		
Cash receipts from the sale of goods and the rendering of services	**1,388,923,443.36**	736,426,209.75
Receipts of tax refunds	**60,186,286.64**	10,459,732.09
Other cash receipts relating to operating activities	**131,244,367.75**	53,808,907.51
Subtotal of cash inflows from operating activities	**1,580,354,097.75**	800,694,849.35
Cash payments for goods purchased and services received	**2,076,118,043.15**	1,436,793,299.36
Cash payments to and on behalf of employees	**753,256,876.42**	382,329,123.32
Payments of various types of taxes	**34,541,369.81**	45,792,155.58
Other cash payments relating to operating activities	**172,814,386.37**	115,255,588.22
Subtotal of cash outflows from operating activities	**3,036,730,675.75**	1,980,170,166.48
Net cash flows from operating activities	**-1,456,376,578.00**	-1,179,475,317.13
II. Cash flows from investing activities:		
Cash receipts from disposals and recovery of investments	**3,006,388.00**	71,500,000.00
Cash receipts from investment income	**–**	699,357.79
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	**–**	53,700.00
Other cash receipts relating to investing activities	**90,307,062.35**	29,222,164.56
Subtotal of cash inflows from investing activities	**93,313,450.35**	101,475,222.35
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets	**580,470,475.15**	862,263,944.14
Cash payments to acquire investments	**175,137,075.93**	191,091,791.00
Other cash payments relating to investing activities	**78,112,541.94**	7,708,357.43
Subtotal of cash outflows from investing activities	**833,720,093.02**	1,061,064,092.57
Net cash flows from investing activities	**-740,406,642.67**	-959,588,870.22

Item	2020	2019
III. Cash flows from financing activities:		
Cash receipts from capital contributions	**4,526,880,787.50**	392,811,655.50
Including: cash receipts from capital contributions from minority owners of subsidiaries	**–**	1,120,000.00
Cash receipts from borrowings	**374,238,589.36**	1,681,516,416.40
Subtotal of cash inflows from financing activities	**4,901,119,376.86**	2,074,328,071.90
Cash repayments of borrowings	**401,416,401.41**	1,389,137,392.04
Cash payments for distribution of dividends or profits or settlement of interest expenses	**43,156,986.08**	58,610,982.51
Including: payments for distribution of dividends or profits to minority owners of subsidiaries	**–**	12,413.02
Other cash payments relating to financing activities	**43,023,000.75**	32,997,695.71
Subtotal of cash outflows from financing activities	**487,596,388.24**	1,480,746,070.26
Net cash flows from financing activities	**4,413,522,988.62**	593,582,001.64
IV. Effects of exchange rate fluctuations on cash and cash equivalents	**-45,768,085.99**	-4,062,111.19
V. Net increase in cash and cash equivalents	**2,170,971,681.96**	-1,549,544,296.90
Add: Opening balance of cash and cash equivalents	**1,214,025,879.93**	2,763,570,176.83
VI. Closing balance of cash and cash equivalents	**3,384,997,561.89**	1,214,025,879.93

CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY

January-December 2020

Unit: Yuan Currency: RMB

Item	2020 Equity attributable to owners of the Company						
	Share capital	Capital reserves	Other comprehensive income	Retained earnings	Subtotal	Minority interests	Total equity
I. Closing balance of the preceding year	**784,146,500.00**	**4,180,418,778.52**	**12,535,946.17**	**-1,999,068,441.43**	**2,978,032,783.26**	**-2,932.37**	**2,978,029,850.89**
Add: Changes in accounting policies	-	-	-	-	-	-	-
II. Balance at the beginning of year	**784,146,500.00**	**4,180,418,778.52**	**12,535,946.17**	**-1,999,068,441.43**	**2,978,032,783.26**	**-2,932.37**	**2,978,029,850.89**
III. Changes in the current period ("-" for decreases)	**88,349,500.00**	**4,451,961,498.14**	**-21,928,417.32**	**-1,668,606,831.68**	**2,849,775,749.14**	**-488.08**	**2,849,775,261.06**
(I) Total comprehensive income	-	-	**-21,928,417.32**	**-1,668,606,831.68**	**-1,690,535,249.00**	**-488.08**	**-1,690,535,737.08**
(II) Increase/Decrease of capital from shareholders	**88,349,500.00**	**4,451,961,498.14**	-	-	**4,540,310,998.14**	-	**4,540,310,998.14**
1. Ordinary shares contributed by shareholders	**88,349,500.00**	**4,419,848,226.73**	-	-	**4,508,197,726.73**	-	**4,508,197,726.73**
2. Capital contributed by holders of other equity instruments	-	-	-	-		-	-
3. Share-based payments recognized in owners' equity	-	**32,113,271.41**	-	-	**32,113,271.41**	-	**32,113,271.41**
4. Others	-	-	-	-	-	-	-
IV. Balance at the end of period	**872,496,000.00**	**8,632,380,276.66**	**-9,392,471.15**	**-3,667,675,273.11**	**5,827,808,532.40**	**-3,420.45**	**5,827,805,111.95**

	2019						
	Equity attributable to owners of the Company						
Item	Share capital	Capital reserves	Other comprehensive income	Retained earnings	Subtotal	Minority interests	Total equity
I. Closing balance of the preceding year	760,310,000.00	3,797,238,509.95	-9,517.84	-1,242,283,592.26	3,315,255,399.85	-1,113,013.75	3,314,142,386.10
Add: Changes in accounting policies	–	–	–	–	–	–	–
II. Balance at the beginning of year	760,310,000.00	3,797,238,509.95	-9,517.84	-1,242,283,592.26	3,315,255,399.85	-1,113,013.75	3,314,142,386.10
III. Changes in the current period ("-" for decreases)	23,836,500.00	383,180,268.57	12,545,464.01	-756,784,849.17	-337,222,616.59	1,110,081.38	-336,112,535.21
(I) Total comprehensive income			3,178,464.01	-747,417,849.17	-744,239,385.16	-310,943.55	-744,550,328.71
(II) Increase/Decrease of capital from shareholders	23,836,500.00	383,180,268.57	–	–	407,016,768.57	1,421,024.93	408,437,793.50
1. Ordinary shares contributed by shareholders	23,836,500.00	367,855,155.50	–	–	391,691,655.50	–	391,691,655.50
2. Capital contributed by holders of other equity instruments	–	–	–	–	–	–	–
3. Share-based payments recognized in owners' equity	–	15,638,551.03	–	–	15,638,551.03	–	15,638,551.03
4. Others	–	-313,437.96	–	–	-313,437.96	1,421,024.93	1,107,586.97
(III) Transfer of owners' equity	–	–	9,367,000.00	-9,367,000.00	–	–	–
1. Transfer of capital reserves to capital (or share capital)	–	–	–	–	–	–	–
2. Transfer of surplus reserves to capital (or share capital)	–	–	–	–	–	–	–
3. Surplus reserves making up of losses	–	–	–	–	–	–	–
4. Changes in defined benefit plans transfer to retained earnings	–	–	–	–	–	–	–
5. Other comprehensive income transfer to retained earnings	–	–	9,367,000.00	-9,367,000.00	–	–	–
6. Others	–	–			–	–	–
IV. Balance at the end of period	784,146,500.00	4,180,418,778.52	12,535,946.17	-1,999,068,441.43	2,978,032,783.26	-2,932.37	2,978,029,850.89

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The IFRS figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2020 as set out in this preliminary announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year prepared in accordance with IFRS. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Messrs. Deloitte Touche Tohmatsu on this preliminary announcement.

PUBLICATION OF THE 2020 ANNUAL RESULTS AND 2020 ANNUAL REPORT

This annual results announcement has been published on the websites of the Company (www.junshipharma.com), the Hong Kong Stock Exchange (http://www.hkexnews.hk) and the Shanghai Stock Exchange (http://www.sse.com.cn). The 2020 Annual Report containing all the information required by the Hong Kong Listing Rules will be despatched to the Shareholders and published on the respective websites of the Hong Kong Stock Exchange and the Company in due course.

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

Shanghai, the PRC, 30 March 2021

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

* *For identification purpose only*