

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



**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 2021**

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 2021 (the “**Reporting Period**”), together with the comparative figures of the year ended 31 December 2020. The consolidated financial statements of the Company for the Reporting Period have been reviewed by the audit committee of the Company (the “**Audit Committee**”) and audited by the Company’s auditors. Unless otherwise specified, financial figures in this announcement are prepared under the International Financial Reporting Standards (“**IFRS**”).

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

**FINANCIAL HIGHLIGHTS**

- As at 31 December 2021, total revenue of the Group reached RMB4,025 million during the Reporting Period, representing an increase of 152% compared to the year 2020. In particular, the revenue from out-licensing significantly increased to RMB3,341 million, which is based on the following two cooperative projects: (i) pursuant to the research collaboration and license agreement entered into between the Company and Eli Lilly and Company (“**Lilly**”), by virtue of the rapid progress of the cooperation, all milestone events agreed upon in the overseas licensing of etesevimab (JS016/LY-CoV016) to Lilly have been completed; (ii) the Company entered into an exclusive license and commercialization agreement (the “**Exclusive License and Commercialization Agreement**”) with Coherus BioSciences, Inc. (“**Coherus**”), pursuant to which both parties agreed to carry out in-depth cooperation in the field of tumor immunotherapy in the United States and Canada (the “**Coherus Territory**”).
- Total research and development (“**R&D**”) expenses were RMB2,069 million during the Reporting Period, representing an increase of 16% compared to the year 2020. The increase in R&D expenses was mainly due to (i) continuous increase in R&D investment, diversification and expansion of product pipelines, and the acceleration of the development of existing clinical projects; (ii) expansion of the R&D team; and (iii) rise of remuneration cost including the expenses of the restricted A Share incentive scheme (the “**Restricted A Share Scheme**”), which was implemented in November 2020 to incentivize and retain personnel.

- Net cash from financing activities was RMB2,666 million during the Reporting Period, which was mainly attributable to the successful placing of the Company’s new H Shares on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”) on 23 June 2021 with net cash inflow from the placing of RMB2,105 million and receipts of capital contribution from external investors to Shanghai JunTop Biosciences Co., Ltd.\* (上海君拓生物醫藥科技有限公司) (“**JunTop Biosciences**”), a controlled subsidiary of the Company, with net cash inflow of RMB895 million. Such net cash inflow fully covered the cash used in operating and investing activities, leading to the increase of RMB120 million in bank balances and cash.
- Total comprehensive expense of the Group was RMB719 million during the Reporting Period, representing a decrease of 57% compared to the year 2020, which was mainly attributable to the increase of revenue from out-licensing partially offset by the increasing R&D expenses, administrative expenses and selling and distribution expenses.

## **BUSINESS HIGHLIGHTS**

During the Reporting Period, we continuously adhered to the strategic plan of “in China, for global”, and achieved explosive growth in operating income, which gradually demonstrated our income generation capability. In addition, several of our R&D pipelines have reached exciting milestones, and we have also achieved progress with respect to our product commercialization, clinical trials and pipeline expansion, including the following achievements and milestones:

- Our innovative R&D field has expanded from monoclonal antibodies to the development of various drug modalities, including small molecules drugs, polypeptide drugs, antibody drug conjugates (ADCs), bi-specific or multi-specific antibodies and nucleic acid drugs, as well as the exploration of next-generation innovative therapies for cancer and autoimmune diseases. Our product pipelines cover 5 major therapeutic areas including malignant tumors, autoimmune diseases, chronic metabolic diseases, neurologic diseases and infectious diseases. In particular, there were a total of 3 assets (toripalimab, etesevimab and adalimumab) under commercialization, 23 assets under clinical trials (in particular, ongericimab, VV116, bevacizumab and PARP inhibitor were under Phase III clinical trials) and over 25 drug candidates under pre-clinical drug development.
  - In January 2021, TUOYI® (toripalimab) for the first-line treatment of mucosal melanoma was granted the Fast Track Designation by the United States Food and Drug Administration (the “**FDA**”). Meanwhile, the FDA also approved the Investigational New Drug (“**IND**”) application for an immediate Phase III clinical trial of TUOYI® in combination with axitinib for the first-line treatment of mucosal melanoma. In March 2021, the indication was granted Breakthrough Therapy Designation (“**BT**D”) by the National Medical Products Administration of China (the “**NMPA**”).
  - In February 2021, we entered into the Exclusive License and Commercialization Agreement with Coherus. Pursuant to the agreement, the Company granted Coherus an exclusive license for TUOYI® and two option programs (if exercised) in the Coherus Territory, as well as the right of first negotiation for two early-stage checkpoint inhibitor antibodies, and may receive up to an aggregate of US\$1.11 billion of upfront payment, exercise fee and milestone payments. In particular, Coherus made a one-off upfront payment of US\$150 million to the Company.

- In February 2021, the supplemental new drug application (“sNDA”) for TUOYI® in combination with cisplatin and gemcitabine as the first-line treatment for patients with locally recurrent or metastatic nasopharyngeal carcinoma (“NPC”) was accepted by the NMPA. In November 2021, the indication was approved by the NMPA.
- In February 2021, the sNDA for TUOYI® for the treatment of patients with recurrent or metastatic NPC after failure of at least two lines of prior systemic therapy was granted conditional approval by the NMPA.
- In January and February 2021, TAB006/JS006 (recombinant humanized anti-TIGIT monoclonal antibody) received IND approval from the NMPA and the FDA, respectively.
- In February 2021, the IND applications for JS110 (XPO1 inhibitor) and JS111 (EGFR exon20 insertion and other uncommon mutation inhibitor) jointly developed by us and Wigen Biomedicine Technology (Shanghai) Co., Ltd. (“**Wigen Biomedicine**”) were accepted by the NMPA, and received IND approvals in April 2021.
- In February 2021, the IND application for the drug candidate JS201 (anti-PD-1/TGF-β bifunctional fusion protein) was accepted by the NMPA, and received IND approval in May 2021.
- In March 2021, TopAlliance Biosciences, Inc. (“**TopAlliance**”), our wholly-owned subsidiary, initiated the rolling submission of Biologics License Application (“**BLA**”) for toripalimab to the FDA for the treatment of recurrent or metastatic NPC, and was accepted for rolling review. Toripalimab has become the first domestic anti-PD-1 monoclonal antibody to submit a BLA to the FDA. In August 2021, toripalimab in combination with gemcitabine and cisplatin for the first-line treatment for patients with advanced recurrent or metastatic NPC was granted a BTB by the FDA. In September 2021, the Company completed the rolling submission of BLA for the above two indications. At the end of October 2021, BLAs for the above two indications were accepted by the FDA. According to the acceptance letter, the FDA has granted priority review designation for the BLAs and indicated that it does not plan to hold an advisory committee meeting for the BLAs. The Prescription Drug User Fee Act (the “**PDUFA**”) date is set on or around April 2022.
- In March 2021, the IND application for JS103 (pegylated uricase derivative) was accepted by the NMPA, and received IND approval in May 2021.
- In March 2021, the IND application for JS007 (recombinant humanized anti-CTLA-4 monoclonal antibody) was accepted by the NMPA, and received IND approval in June 2021.
- In April 2021, the sNDA for TUOYI® for the treatment of patients with locally advanced or metastatic urothelial carcinoma (“UC”) who failed platinum-containing chemotherapy or progressed within 12 months of neoadjuvant or adjuvant platinum-containing chemotherapy was granted conditional approval by the NMPA.

- In April 2021, the Independent Data Monitoring Committee (“**IDMC**”) determined that TUOYI® in combination with paclitaxel/cisplatin as the first-line treatment for patients with advanced or metastatic esophageal squamous cell carcinoma (“**ESCC**”) has reached its pre-specified primary endpoints of Progression Free Survival (“**PFS**”) and Overall Survival (“**OS**”) at the interim analysis of a randomized, double-blind, placebo-controlled, multi-center, Phase III clinical study (“**JUPITER-06 study**”, NCT03829969).
- In June 2021, the IND application for JS014 (recombinant IL-21 – a nanobody fusion protein of anti-human serum albumin (HSA)) was accepted by the NMPA, and received IND approval in August 2021.
- In July 2021, the sNDA for TUOYI® in combination with platinum-containing chemotherapy as the first-line treatment for patients with locally advanced or metastatic ESCC was accepted by the NMPA.
- In August 2021, the IND application for UBP1213sc (recombinant humanized anti-B lymphocyte stimulator (BLyS) monoclonal antibody) was accepted by the NMPA, and received IND approval in November 2021.
- In September 2021, the IND application for JS012 (recombinant humanized anti-Claudin18.2 monoclonal antibody) was accepted by the NMPA, and received IND approval in November 2021.
- In October 2021, the IND application for JS019 (recombinant fully human anti-CD39 monoclonal antibody) jointly developed by us and Beijing Eirene Biotech Co., Ltd.\* (北京恩瑞尼生物科技股份有限公司) (“**Beijing Eirene**”) was accepted by the NMPA, and received IND approval in December 2021.
- In October 2021, the IND application for JS026 (recombinant fully human monoclonal antibody for treatment of COVID-19) was accepted by the NMPA, and received IND approval in November 2021.
- In November 2021, the IND application for JS112 (Aurora A inhibitor) was accepted by the NMPA, and received IND approval in February 2022.
- In December 2021, the IND application for JS107 (recombinant humanized anti-Claudin18.2 monoclonal antibody – MMAE conjugate) was accepted by the NMPA, and received IND approval in March 2022.
- In December 2021, the IND application for JS001sc (a subcutaneous injection formulation developed on the basis of TUOYI®) was accepted by the NMPA, and received IND approval in March 2022.
- In December 2021, the sNDA of TUOYI® in combination with standard first-line chemotherapy for untreated, driver-negative advanced non-small cell lung cancer (“**NSCLC**”) was accepted by the NMPA.
- In the face of the novel coronavirus pandemic (“**COVID-19**”), we responded swiftly and cooperated with domestic and foreign scientific research institutions and enterprises to jointly develop a variety of drug candidates for the treatment of the COVID-19, and took the initiative to undertake the social responsibility of Chinese pharmaceutical companies through efficient R&D. Many stages of progress have been achieved during the Reporting Period.

- Etesevimab (JS016/LY-CoV016): In early 2020, we jointly developed etesevimab with the Institute of Microbiology, Chinese Academy of Sciences\* (中國科學院微生物研究所) (the “**IMCAS**”). Lilly introduced from the Company the rights and interests of etesevimab outside the Greater China Region (including mainland China, the Hong Kong Special Administrative Region, the Macao Special Administrative Region and the Taiwan region), and we continued to lead the development of the drug in the Greater China Region. In February 2021, the FDA granted Lilly the Emergency Use Authorization (“**EUA**”) for the use of 1,400 mg of etesevimab and 700 mg of bamlanivimab (LY-CoV555) collectively (“**etesevimab and bamlanivimab administered together**”) in the treatment of patients with mild to moderate COVID-19 aged 12 and above who were at high risk for progressing to severe COVID-19 and/or hospitalization. In September 2021, the FDA granted the EUA for etesevimab and bamlanivimab administered together for the application of treatment for high-risk individuals aged 12 and above who have not been fully vaccinated against COVID-19 or are not expected to be able to develop an adequate immune response after completing vaccination, and have been exposed to others infected with SARS-CoV-2 or who are at high risk of exposure in an institutional setting, including nursing homes or prisons. In December 2021, the scope of EUA was newly extended to include treatment and post-exposure prevention of mild to moderate COVID-19 for specific high-risk pediatric population (from infant to child aged under 12). As of the end of the Reporting Period, the dual antibody therapy has been granted the EUA in more than 15 countries and regions around the world, and more than 700,000 patients have received etesevimab and bamlanivimab administered together or bamlanivimab treatment, potentially preventing more than 35,000 hospitalizations and at least 14,000 deaths during the worst period of the pandemic.
- VV116 (JT001): In September 2021, JunTop Biosciences, a subsidiary of the Company, partnered with Suzhou Vigonvita Biomedical Co., Ltd.\* (蘇州旺山旺水生物醫藥有限公司) (“**Vigonvita**”) to jointly undertake the clinical development and industrialization of VV116, an oral nucleoside anti-SARS-CoV-2 drug, in the collaboration territory, being the whole world except for the following four territories, namely the five Central Asian countries, Russia, North Africa and the Middle East. As of the date of this announcement, VV116 is approved for the treatment of moderate to severe COVID-19 patients in Uzbekistan (not within the collaboration territory). The Company was conducting an international multi-center, randomized, double-blind phase III clinical study to evaluate the efficacy and safety of VV116 versus standard therapy in subjects with moderate to severe COVID-19. The enrollment and dosing of the first patient have been completed. In addition, for mild to moderate COVID-19, the Company has also initiated an international multi-center, double-blind, randomized, placebo-controlled, Phase II/III clinical study (NCT05242042) to evaluate the efficacy, safety and pharmacokinetics of VV116 for early treatment of patients with mild to moderate COVID-19. The study has completed the enrollment and dosing of the first patient at Shanghai Public Health Clinical Center\* (上海市公共衛生臨床中心), and is in progress in multiple centers around the world.
- VV993 (JT003): JunTop Biosciences partnered with Vigonvita to jointly undertake the research, production and commercialization of VV993, a new oral anti-SARS-CoV-2 drug candidate targeting 3CL protease, in the collaboration territory.

- 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, deploy the next-generation innovative drug technology platform and enrich drug combination therapies.
  - In July 2021, we and Immorna (Hangzhou) Biotechnology Co., Ltd.\* (嘉晨西海(杭州)生物技術有限公司) (“**Immorna**”) entered into an agreement in relation to the establishment of a joint investment company. The joint investment company will mainly engage in the R&D, clinical research, application for approval, production and commercialization of product development projects in the fields of tumors, infectious diseases, rare diseases and other diseases agreed by both parties on the mRNA technology platform globally. The joint investment company will be owned 50% by the Company and 50% by Immorna upon its establishment. The establishment of the joint investment company can complement each party’s technological advantages, capitalize the strengths of the mRNA general platform technology in tumor immunotherapy, infectious disease prevention and other fields in a more efficient manner, and continuously explore new directions of application.
- TUOYI® continued to be included in Category B in the National Drug List for Basic Medical Insurance, Work-Related Injury Insurance and Maternity Insurance (“**NRDL**”) (2021 Edition)\* (《國家基本醫療保險、工傷保險和生育保險藥品目錄(2021)版》). Two indications of the treatment of patients with recurrent or metastatic NPC after failure of at least two lines of prior systemic therapy as well as the treatment of patients with locally advanced or metastatic UC who failed platinum-containing chemotherapy or progressed within 12 months of neoadjuvant or adjuvant platinum-containing chemotherapy were added, which filled the gaps in immunotherapy for patients with advanced NPC and non-selective patients with advanced UC in the latest edition of the NRDL, and became the only anti-PD-1 monoclonal antibody used in the treatment of melanoma and nasopharyngeal cancer in the latest edition of the NRDL.

The sales revenue of TUOYI® was RMB412 million for the year. After the official implementation of the 2020 NRDL in March 2021, the terminal pricing of TUOYI® products dropped by over 60% compared to the initial pricing in 2020. Moreover, after the continued inclusion in the 2021 NRDL and further price reduction of TUOYI® at the end of the Reporting Period, we compensated the price difference for the entire inventory of the distributors, which also had a certain impact on the recognition of product revenue for the current period. 2021 was also a relatively turbulent year for our commercialization team. Our team underwent several rounds of adjustment to chief commercial officers and sales forces, and jointly explored and worked with external partners on the promotion of TUOYI®. Due to the frequent restructuring of the team, the stability of team was greatly affected, and its execution ability has declined. As market activities were not executed in a stable manner, the effectiveness of market activities had declined, thus significantly affecting customers’ confidence in cooperation. Given the above reasons and the increasingly intensive competition for commercialization of PD-1 products in the domestic market, although the sales volume of TUOYI® increased in 2021 under the circumstance that only niche indications were included in the NRDL and large indications for larger applicable population have not been approved for marketing, sales on a price-for-volume basis have yet to be achieved, leading to negative growth in sales revenue.

In November 2021, the Board of Directors of the Company agreed to appoint Mr. Li Cong as a co-chief executive officer of the Company to be fully responsible for the Company's commercialization-related work. As of the date of this announcement, the Company has completed the restructuring of the commercialization team, and Mr. Li Cong has completed the establishment and restoration of the regional marketing team and also increased the headcount of the core market personnel. In December 2021, after friendly negotiation, the Company withdrew the promotion rights as agreed in the agreement with AstraZeneca Pharmaceutical Co., Ltd., (“**AstraZeneca Pharmaceutical**”) and the Company's commercialization team would be independently responsible for all promotion activities of TUOYI® in mainland China. Through the urban commercial insurance across the country, out-of-pocket expenses on the indications of TUOYI® that has been included in the NRDL were entitled to supplementary reimbursement under the NRDL in 102 cities. The newly approved nasopharyngeal cancer indication for first-line treatment in November 2021 has been included in the medical insurance catalogues in 11 cities, for which supplementary medical insurance could be obtained in 51 cities, thus reducing the burden on patients. As the Company recovered outsourced indications and wide-area marketing rights of TUOYIi®, and TUOYIi® for melanoma, nasopharyngeal cancer, and urothelial cancer indications has been successfully included in the NRDL, our team members have regained their confidence. The sales activities of TUOYI® in the domestic market have turned the corner and gradually returned to a normal level. A series of marketing campaign has commenced, aiming to reshape the market image of the Company and TUOYI®. Our team is confident that the Company can gain over 50% market share in the tumor fields covered by the indications that had been included in NRDL. With indications for other types of tumor being gradually approved for marketing, the Company would be able to gain its designated market share.

As an innovative drug company in the phase of rapid development, we are of the view that the setbacks we encountered on the journey to commercialization are temporary. As the construction of our commercialization team gradually becomes stable and orderly, more large indications of TUOYI® have completed the Phase III registration clinical trials and entered the commercial approval stage, the gradual realization of the prospective layout advantages of adjuvant and neoadjuvant therapies with TUOYI® in multiple indications as well as the upgrade of production capacity of commercial production batches of the Company's production base, the domestic sales of TUOYI® would recover progressively and begin to enter a positive cycle.

- 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 have carried out the following financing activities:
  - In June 2021, we successfully allotted and issued an aggregate of 36,549,200 new H Shares at the placing price of HK\$70.18 per H Share to not less than six places (the “**Placing**”). The net cash inflow from the Placing is approximately RMB2,105 million. The proceeds from the Placing are intended to be used toward the R&D of drugs and pipeline expansion, expansion of the commercialization team, domestic and overseas investment, mergers and acquisitions, and business development, and general corporate purposes.
  - In December 2021, JunTop Biosciences implemented the series A financing, with 14 series A investors subscribing for the new registered capital of JunTop Biosciences at a total consideration of RMB1.275 billion. The proceeds will be used to finance the R&D and production of vaccine and anti-infective drug pipelines of JunTop Biosciences.

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

- Product R&D
  - In February 2022, the dosing of the first patient was completed in the Phase III clinical trial of TUOYI® in combination with standard chemotherapy as the adjuvant treatment after radical resection of gastric or esophagogastric junction adenocarcinoma (JUPITER-15 study, NCT05180734).
  - In March 2022, the marketing of JUNMAIKANG (君邁康)® (adalimumab) for the treatment of rheumatoid arthritis, ankylosing spondylitis and psoriasis was approved by the NMPA.
  - In March 2022, the IND application for JS105 (PI3K- $\alpha$  inhibitor) jointly developed by the Company and Risen (Suzhou) Biosciences Co., Ltd.\* (潤佳(蘇州)醫藥科技有限公司) (“**Risen Biosciences**”) was accepted by the NMPA.
- Commercial operations
  - In January 2022, based on the Exclusive License and Commercialization Agreement we entered into with Coherus in February 2021, Coherus initiated the procedure for exercising the option of TAB006/JS006, one of the option programs, to be licensed to develop TAB006/JS006 or any product containing TAB006/JS006 in the Coherus Territory for the treatment or prevention of human disease. Coherus made an one-off exercise payment of US\$35 million to us, and will pay up to an aggregate of US\$255 million upon reaching the corresponding milestones, plus 18% royalty on the annual net sales of any product that contains TAB006/JS006 in the Coherus Territory.
  - In March 2022, we entered into the Licensing and Cooperation Agreement with Wigen Biomedicine to introduce four small molecule anti-tumor drugs, namely JS120 (second-generation irreversible IDH1 inhibitor), JS121 (SHP2 inhibitor), JS122 (second-generation irreversible FGFR2 selective inhibitor) and JS123 (ATR inhibitor), thus further enriching our pipeline layout in the field of cancer treatment.
  - In March 2022, Shanghai Junshi Biotechnology Co., Ltd. (“**Junshi Biotechnology**”), our wholly-owned subsidiary, passed the drug GMP compliance inspection, indicating that the production base in Lingang, Shanghai (the “**Lingang Production Base**”) fully met the conditions to formally produce commercial batches of TUOYI®. The Lingang Production Base in Shanghai was constructed in accordance with the CGMP standard, with a production capacity of 30,000L in the first phase of the project. By virtue of economies of scale, the expansion of production capacity brought by the Lingang Production Base in Shanghai will enable the Company to gain the advantage of a more competitive production cost.
  - In March 2022, the Board of Directors approved a proposal to issue no more than 70 million A Shares to target subscribers under the General Mandate. The proceeds are expected to be no more than RMB3.98 billion, which will be used for R&D projects of innovative drugs and our headquarters and R&D base project. The issuance is still subject to the approval of shareholders of the Company (the “**Shareholders**”) at the EGM, the approval of the Shanghai Stock Exchange and the approval of registration from the China Securities Regulatory Commission.

## MANAGEMENT DISCUSSION AND ANALYSIS

### OVERVIEW

We are an innovation-driven biopharmaceutical company with all-round capabilities in innovative drug discovery and development, clinical research on a global scale, large-scale production capacity to commercialization on the full industry chain. Aiming to develop first-in-class or best-in-class drugs through ways of original innovation and co-development, we have successfully developed a drug candidate portfolio with tremendous market potential. Multiple products have milestone significance: one of our core products, toripalimab (JS001, trade name: 拓益® (TUOYI®)), was the first domestic anti-PD-1 monoclonal antibody approved to be marketed in China by the NMPA for the treatment of locally advanced or metastatic melanoma after standard therapy failure, the treatment for recurrent/metastatic NPC after failure of second-line and above systemic treatment, the treatment of patients with locally advanced or metastatic UC who failed platinum-containing chemotherapy or progressed within 12 months of neoadjuvant or adjuvant platinum-containing chemotherapy, and in combination with cisplatin and gemcitabine as the first-line treatment for patients with locally recurrent or metastatic NPC, ongericimab and UBP1213 were the first anti-PCSK9 monoclonal antibody and anti-BLyS monoclonal antibody, respectively, from a Chinese domestic company that had received 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 several Phase Ib/II clinical trials in China and the United States. We also worked together with domestic scientific research institutions to fight against the COVID-19 pandemic, and co-developed etesevimab, the first anti-SARS-CoV-2 monoclonal neutralizing antibody that commenced clinical trials in China. As of the end of the Reporting Period, etesevimab and bamlanivimab administered together has been granted the EUA in more than 15 countries and regions around the world. In addition, the Company's co-developed oral nucleoside anti-SARS-CoV-2 drug VV116 has entered the international multi-center registered Phase III clinical trial stage. We will continuously contribute to the global fight against the epidemic as a representative from China with domestic innovation.

With our continuously enriched product pipeline and our further exploration of drug combination therapies, our innovation field has continued to expand to R&D of more types of drugs, including small molecules, polypeptide drugs, antibody drug conjugates (ADCs), bi-specific or multi-specific antibodies and nucleic acid drugs, as well as the exploration of the next-generation innovative therapies for cancer and autoimmune diseases.

As of the date of this announcement, the COVID-19 pandemic has 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. Moreover, we made various major achievements in the business operations as well as the development of drug candidates of the Company, which are summarized as follows:

**Domestic commercialization of TUOYI® is progressing steadily, with greater scope of indications included in the NRDL, and phased external cooperation completing its historical mission**

Despite the general environment where the global economy was affected by COVID-19 pandemic with great volatility, we were able to maintain uninterrupted production and supply of TUOYI® for patients. Our Commercial and Market Access team has also been accelerating the entry of TUOYI® into the hospital channels, expanding the coverage in core cities and markets, and strengthening the establishment of product brand image, so as to enhance the recognition of TUOYI® brand among doctors and patients, and support the further growth of TUOYI® sales. Through the urban commercial insurance across the country, out-of-pocket expenses on the indications of TUOYI® that have been included in the NRDL were entitled to supplementary reimbursement under the NRDL in 102 cities. The newly approved nasopharyngeal cancer indication for first-line treatment in November 2021 has been included in the medical insurance catalogues in 11 cities, for which supplementary medical insurance could be obtained in 51 cities, thus reducing the burden on patients.

In February 2021, TUOYI® was granted conditional marketing approval by the NMPA for the treatment of patients with recurrent or metastatic NPC after failure of at least two lines of prior systemic therapy. In April 2021, TUOYI® was granted conditional marketing approval by the NMPA for the treatment of patients with locally advanced or metastatic UC who failed platinum-containing chemotherapy or progressed within 12 months of neoadjuvant or adjuvant platinum-containing chemotherapy. In July 2021, the sNDA for TUOYI® in combination with platinum-containing chemotherapy as the first-line treatment for patients with locally advanced or metastatic ESCC was accepted by the NMPA. In November 2021, the sNDA for TUOYI® in combination with cisplatin and gemcitabine as the first-line treatment for patients with locally recurrent or metastatic NPC was approved by the NMPA. In December 2021, the sNDA of TUOYI® in combination with standard first-line chemotherapy for untreated, driver-negative advanced NSCLC was accepted by the NMPA. The successive approvals for marketing of new indications and the acceptance of sNDA will greatly enhance our competitiveness in commercialization in the domestic PD-1 market.

Furthermore, in 2021, TUOYI® continued to be included in Category B of the 2021 NRDL. Two indications of the treatment of patients with recurrent or metastatic NPC after failure of at least two lines of prior systemic therapy as well as the treatment of patients with locally advanced or metastatic UC who failed platinum-containing chemotherapy or progressed within 12 months of neoadjuvant or adjuvant platinum-containing chemotherapy, were added, which filled the gaps in immunotherapy for patients with advanced NPC and non-selective patients with advanced UC in the NRDL, and became the only anti-PD-1 monoclonal antibody used in the treatment of melanoma and NPC in the NRDL.

In February 2021, we commenced commercialization cooperation with AstraZeneca Pharmaceutical. We granted AstraZeneca Pharmaceutical the exclusive promotion right of TUOYI® for the urinary cancer indications to be approved subsequently in mainland China and the exclusive promotion right for all indications approved and to be approved in non-core urban areas, while we continued to be responsible for the promotion of indications approved and to be approved excluding urinary cancer indications in core urban areas (the “**Promotion Cooperation**”). With the extensive pipeline network that AstraZeneca has accumulated in China for many years. The Promotion Cooperation has offered support for the promotion work in broadening the market of TUOYI® to a certain extent. As our self-built commercialization team becomes more mature, more indications of TUOYI® have been included in the NRDL. To better implement our promotion strategy for product commercialization in the next development stage and actively respond to the future market competition pattern, upon an amicable negotiation, we and AstraZeneca mutually terminated the Promotion Cooperation on 31 December 2021. The Company’s commercialization team will continue to be responsible for all promotion activities of TUOYI® in mainland China and strengthen promotion in non-core urban areas.

**The clinical trial progress of core drug candidates in China and overseas has been accelerated, the marketing authorization application for the nasopharyngeal cancer indication of TUOYI® was submitted in the United States, which targets unmet medical needs, and our clinical data received authoritative international recognition**

Over 30 clinical studies covering more than 15 indications in respect of TUOYI® have been conducted in China, the United States and other countries. Among all pivotal registrational clinical studies of TUOYI® currently in progress, in addition to the extensive layout for the first-line treatment of multiple tumor types, we have also actively deployed the perioperative adjuvant/neoadjuvant treatments for lung cancer, liver cancer, gastric cancer, esophageal cancer and other indications to promote the application of cancer immunotherapy in the early treatment of cancer patients. With respect to overseas clinical trials, TUOYI® has been granted 2 breakthrough therapy designations, 1 fast track designation, 1 priority review designation and 4 orphan-drug designations by the FDA for the treatment of mucosal melanoma, NPC, esophageal cancer and soft tissue sarcoma.

Existing treatments for recurrent or metastatic NPC are very limited. In response to this unmet medical need, we officially initiated the rolling submission of BLA for TUOYI® to the FDA for the treatment of recurrent or metastatic NPC in March 2021, and was accepted for a rolling review by the FDA. TUOYI® has become the first domestic anti-PD-1 monoclonal antibody to submit a BLA to the FDA. In August 2021, TUOYI® in combination with gemcitabine and cisplatin for the first-line treatment for patients with advanced recurrent or metastatic NPC was granted a BTB by the FDA. This second BTB broadens the scope of FDA’s recognition of TUOYI® potential application for the treatment of NPC, and will speed up FDA’s evaluation of related indications. We completed the rolling submission of BLA for the indication of TUOYI® in combination with chemotherapy for the first-line treatment of recurrent or metastatic NPC, and the indication of TUOYI® monotherapy for second or third line recurrent or metastatic NPC in September 2021. At the end of October 2021, the BLAs mentioned above were accepted by the FDA. According to the acceptance letter, the FDA has granted priority review designation for the BLAs and indicated that it does not plan to hold an advisory committee meeting for the BLAs. The PDUFA date is set in April 2022.

At the annual meeting of the American Society of Clinical Oncology (“ASCO”) (ASCO 2021) held in June 2021, a total of 39 studies related to TUOYI® were presented, including an oral report at the general meeting, an oral report at the special session, 15 poster presentations and a number of online abstracts, covering more than 10 tumor types including nasopharyngeal cancer, head and neck cancer, melanoma, lung cancer, gastric cancer, esophageal cancer, liver cancer, cholangiocarcinoma and pancreatic cancer. In particular, at ASCO 2021, the latest results of a study on TUOYI® in combination with chemotherapy for the first-line treatment of recurrent or metastatic NPC (JUPITER-02 study, #LBA2) were published in the form of Late-breaking Abstract (“LBA”) of the general meeting.

Our recombinant humanized anti-BTLA monoclonal antibody (TAB004/JS004), another core drug candidate, is undergoing several clinical trials in combination with TUOYI® in China and the United States, which is hoped to be able to exert a synergistic antitumor effect. We believe that the combination of the two is a promising antitumor treatment strategy, which is expected to increase patients’ response to cancer immunotherapy and expand the range of potential beneficiaries. As of the date of this announcement, there is no other disclosed anti-tumor product with the same target that has entered into the clinical trial stage domestically or overseas.

### **Carried out in-depth planning in the field of anti-infection treatment and contributed to the world’s anti-pandemic efforts with domestic innovation**

In the face of the pandemic, we have rapidly developed numerous innovative drugs for the treatment of COVID-19 in cooperation with our partner by leveraging our technological accumulation, and actively undertook the social responsibility of Chinese biopharmaceutical companies.

**Etesevimab:** In early 2020, we jointly developed etesevimab with the IMCAS. Lilly introduced from the Company the rights and interests of etesevimab outside the Greater China Region (including mainland China, the Hong Kong Special Administrative Region, the Macao Special Administrative Region and the Taiwan region), and we continued to lead the development of the drug in the Greater China Region. In February 2021, the FDA granted Lilly the EUA for etesevimab and bamlanivimab administered together for the treatment of patients with mild to moderate COVID-19 aged 12 and above who were at high risk for progressing to severe COVID-19 and/or hospitalization. In September 2021, the FDA granted the EUA for etesevimab and bamlanivimab administered together for the application of treatment for high-risk individuals aged 12 and above who have not been fully vaccinated against COVID-19 or are not expected to be able to develop an adequate immune response after completing vaccination, and have been exposed to others infected with SARS-CoV-2 or who are at high risk of exposure in an institutional setting, including a nursing homes or prisons. In December 2021, the scope of EUA was extended to include treatment and post-exposure prevention of mild to moderate COVID-19 for specific high-risk pediatric population (from infant to child aged under 12). As of the end of the Reporting Period, etesevimab and bamlanivimab administered together has been granted the EUA in more than 15 countries and regions around the world, and more than 700,000 patients have received etesevimab and bamlanivimab administered together or bamlanivimab treatment, potentially preventing more than 35,000 hospitalizations and at least 14,000 deaths during the worst period of the pandemic. We have reached all the milestones agreed in the agreement regarding the overseas authorization of etesevimab to Lilly. Related license income was recognised during the Reporting Period.

VV116 (JT001): In September 2021, JunTop Biosciences partnered with Vigonvita to jointly undertake the clinical development and industrialization of VV116, an oral nucleoside anti-SARS-CoV-2 drug, in the collaboration territory, being the whole world except for the following four territories, namely the five Central Asian countries, Russia, North Africa and the Middle East. As at the date of this announcement, VV116 is approved for the treatment of moderate to severe COVID-19 patients in Uzbekistan (not within the collaboration territory). We have completed three Phase I clinical research on healthy Chinese subjects. The results of the research were published in *Acta Pharmacologica Sinica*, a renowned journal in the pharmaceutical field, which demonstrated that VV116 exhibited satisfactory safety and tolerability in healthy subjects, was rapidly absorbed orally, could be administered orally under fasting or normal diet conditions, and it has been suggested to explore two doses of 200 mg to 600 mg per day in subsequent clinical studies. We are conducting an international multi-center, randomized, double-blind Phase III clinical study to evaluate the efficacy and safety of VV116 versus standard therapy in moderate-to-severe COVID-19 subjects, and have completed the enrollment and dosing of the first patient. In addition, for mild to moderate COVID-19, the Company has also initiated an international multi-center, double-blind, randomized, placebo-controlled, Phase II/III clinical study (NCT05242042) to evaluate the efficacy, safety and pharmacokinetics of VV116 for early treatment of patients with mild to moderate COVID-19. The study has completed the enrollment and dosing of the first patient at Shanghai Public Health Clinical Center\* (上海市公共衛生臨床中心), and is in progress in multiple centers around the world.

VV993 (JT003): JunTop Biosciences partnered with Vigonvita to jointly undertake the research, production and commercialization of VV993, a new oral anti-SARS-CoV-2 drug candidate targeting 3CL protease, in the collaboration territory. VV116 and VV993 are drugs or drug candidates developed for different key and conserved targets in the virus life cycle. Apart from being able to be used alone to exhibit their respective clinical advantages or characteristics, they also have the potential of being used in combination with antiviral drugs to complement each other and deliver satisfactory efficacy. The project is currently in the preclinical development stage, and we will rapidly advance VV993 to the clinical stage with a view to solving the unmet clinical needs as soon as possible and contribute more innovative elements from China to the fight against the pandemic.

**Commenced collaborations with leading global pharmaceutical companies on numerous products in various formats, and joined hands with outstanding domestic mRNA startup companies to jointly plan for the cutting-edge technology fields**

As of the date of this announcement, we achieved two collaborations of strategic significance at the levels of corporate strategy and product cooperation in our business expansion, taking another important step towards the strategic goal of “in China, for global”. We entered into the Exclusive License and Commercialization Agreement with Coherus on the development and commercialization of our self-developed TUOYI<sup>®</sup> and two option programs in the Coherus Territory. Pursuant to the terms of the agreement, we granted Coherus an exclusive license for TUOYI<sup>®</sup> in the Coherus Territory. We could receive an upfront fee, exercise of option programs 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 TUOYI<sup>®</sup> (toripalimab) products in the licensed areas. During the Reporting Period, Coherus made an one-off upfront payment of US\$150 million to the Company. In January 2022, pursuant to the Exclusive License and Commercialization Agreement, Coherus initiated the procedure to exercise one of the option programs, being the recombinant humanized anti-TIGIT monoclonal antibody (project code: TAB006/JS006), in order to obtain the license for development of TAB006/JS006 or any products containing TAB006/JS006 for treatment or prevention of human diseases. Coherus made an one-off exercise payment of US\$35 million to the Company. After achieving corresponding milestone events, Coherus will pay an aggregate of US\$255 million for milestone payments, plus 18% royalty on the annual net sales of any product that contains TAB006/JS006 in the Coherus Territory. The collaboration with Coherus will become an important part of our expansion of the global commercialization network. We look forward to continuing to work closely with Coherus to establish the market position of TUOYI<sup>®</sup> in the Coherus Territory, and facilitate the development and commercialization of TAB006/JS006 as soon as possible, joining hands to provide global patients with better efficacy treatment options, and explore and solve unmet clinical needs. Going forward, we will continue to explore global opportunities for our drug candidates with appropriate R&D plans, clinical development and commercialization activities.

In addition to overseas cooperation, during the Reporting Period, we entered into an agreement with Immorna, a domestic company, with respect to the establishment of a joint investment company. Pursuant to the agreement, the Company will make capital contribution in cash and own 50% of the equity interest. Immorna will invest with the intellectual property rights involved in the mRNA technology platform, and own 50% of the equity interest. The joint investment company will mainly engage in the R&D, clinical research, application for approval, production and commercialization of product development projects in the fields of tumors, infectious diseases, rare diseases and other diseases agreed by both parties on the mRNA technology platform globally. The establishment of the joint investment company can complement each party’s technological advantages to capitalize on the strengths of the mRNA general platform technology in tumor immunotherapy, infectious disease prevention and other fields in a more efficient manner, and continuously explore new directions of application. From here, we have also expanded the field of drug R&D to the field of mRNA technology.

## **Sped up new drug development, broadened and diversified the drug candidate pipelines through various means**

As of the date of this announcement, our innovative R&D field has expanded from monoclonal antibodies to the development of various drug modalities, including small molecule drugs, polypeptide drugs, antibody drug conjugates (ADCs), bi-specific or multi-specific antibodies and nucleic acid drugs, as well as the exploration of next-generation innovative therapies for cancer and autoimmune diseases. The Company's product pipelines cover 5 major therapeutic areas including malignant tumors, autoimmune diseases, chronic metabolic diseases, neurologic diseases and infectious diseases. In particular, there were 3 assets (toripalimab, etesevimab and adalimumab) under commercialization, 23 assets under clinical trials (in particular, ongericimab, VV116, bevacizumab and PARP inhibitor were under Phase III clinical trials), and over 25 drug candidates under pre-clinical drug development. From the beginning of the Reporting Period to the date of this announcement, the Company's products TAB006/JS006 (recombinant humanized anti-TIGIT monoclonal antibody), JS110 (XPO1 inhibitor), JS111 (EGFR exon20 insertion and other uncommon mutation inhibitor), JS201 (anti-PD-1/TGF- $\beta$  bifunctional fusion protein), JS103 (pegylated uricase derivative), JS007 (recombinant humanized anti-CTLA-4 monoclonal antibody), JS014 (recombinant IL-21 – a nanobody fusion protein of anti-human serum albumin (HSA)), UBP1213sc (recombinant humanized anti-B lymphocyte stimulator (BLyS) monoclonal antibody), JS026 (recombinant fully human monoclonal antibody for treatment of COVID-19), JS012 (recombinant human anti – Claudin18.2 monoclonal antibody), JS019 (recombinant fully human anti-CD39 monoclonal antibody), JS107 (recombinant humanized anti-Claudin18.2 monoclonal antibody-MMAE conjugate), JS001sc (subcutaneous injection preparation developed based on TUOYI<sup>®</sup>), JS112 (Aurora A inhibitor) obtained IND approval from NMPA or FDA to enter clinical trial stage. We plan to push forward more early-stage development projects in our pipeline to the clinical stage in 2022. Meanwhile, our clinical team will also continue to promote the drug candidates that have obtained IND approval to enter the next stage of clinical development.

## **Retained and expanded talent pool**

As at the end of the Reporting Period, the Group expanded to 2,805 employees, among which 896 employees are responsible for R&D of drugs, 846 employees are responsible for product commercialization, 742 employees are responsible for production, and the remaining employees are responsible for finance, administration, IT, human resources and other supporting work. We attach importance to the attraction and development of various outstanding talents. We further improve our compensation system by establishing salary ranks and bands, combining competitiveness, motivation and fairness. We have also implemented an optimized performance management system across the Group, using scientific management tools to achieve the implementation of corporate strategic objectives and the continuous growth of employees' capabilities, and distinguishing between employees with high and low performance in the process, rewarding the outstanding employees and disciplining the under-performing employees, thus forming a virtuous circle for the continuous output of organizational performance. In addition, we are also gradually improving promotion channels and policies within the enterprise to open up career development paths for high-performing and high-potential employees. At the same time, we also care about the working environment of our employees and continue to provide them with numerous employee benefits, including holiday care and a variety of employee activities throughout the year to enrich their work experience. We believe that our comprehensive and excellent talent team can provide inexhaustible impetus to support the Group in continuously advancing numerous innovative drugs from R&D to commercialization.

## **Optimized the capital structure of the Company, emphasized ESG management and continuously enhanced corporate governance**

In order to focus more on the development of the principal business, improve operating efficiency, increase our investment in technology R&D, and better serve technological innovation, during the Reporting Period, an aggregate of 36,549,200 new H Shares have been successfully allotted and issued by us at the placing price of HK\$70.18 per H Share to not less than six placees. The net cash inflow from the Placing is approximately RMB2,105 million. The proceeds from the Placing are intended to be used toward the R&D of drugs and pipeline expansion, expansion of the commercialization team, domestic and overseas investment, mergers and acquisitions, business development, and general corporate purposes. In December 2021, JunTop Biosciences implemented its series A financing, with 14 series A investors subscribing for the new registered capital of JunTop Biosciences at a total consideration of RMB1.275 billion. The proceeds will be used to finance the R&D and production of vaccine and anti-infective drug pipelines of JunTop Biosciences.

As at the end of the Reporting Period, the Group had cash and cash equivalents of approximately RMB3,505 million. In March 2022, the Board passed a resolution and proposed to issue no more than 70 million A Shares to target subscribers, and the total proceeds are expected to be no more than RMB3,980.00 million (please refer to “Subsequent Events After The Reporting Period” for further details). We believe that a sufficient cash balance will provide strong support for our R&D, production facility expansion and the increasing needs of international multi-center clinical trials, as well as great flexibility the ability to resist risks in the face of changes in the macroeconomic and industry environment.

Since February 2021, the A Shares and H Shares of the Company have been included in Northbound Trading under Shanghai-Hong Kong Stock Connect and the Stock Connect Southbound Trading, respectively. Since March 2021, the Company’s A Shares have been included in the STAR 50 index and the FTSE Global Equity Index, while the Company’s H Shares have been included 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. Since September 2021, the A Shares of the Company has be included in the MSCI China A Onshore Index. The Company has been rated by major domestic and international ESG rating agencies, of which Wind ESG and Sino-Securities Index granted the Company a rating of “A” and “AA” respectively.

## **Product Pipeline**

Our products concentrate on self-developed biological products with original innovation. At the same time, through co-development, jointly formed companies, license-in and other means, we introduced products or platform technologies that synergized with our own original product pipeline, so as to further expand our product pipeline. After prolonged accumulation of drug development technology, in-depth exploration in the field of translational medicine and the establishment of a new drug type platform, our innovative R&D field has expanded from monoclonal antibodies to the development of more drug modalities, including small molecule drugs, polypeptide drugs, antibody drug conjugates (ADCs), bi-specific or multi-specific antibodies and nucleic acid drugs, as well as the exploration of next-generation innovative therapies for cancer and autoimmune diseases. The Company's product pipelines cover 5 major therapeutic areas including malignant tumors, autoimmune diseases, chronic metabolic diseases, neurologic diseases and infectious diseases. As of the date of this announcement, there were a total of 3 assets (toripalimab, etesevimab and adalimumab) under commercialization, 23 assets under clinical trials (in particular, PARP inhibitor, ongericimab, bevacizumab and VV116 were under Phase III clinical trials) and over 25 drug candidates under pre-clinical drug development.

# 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)			NMPA approved on 17 December 2018			China	FDA Breakthrough Therapy Designation, Orphan Drug Designation, Priority Review
		NCT02915432	Nasopharyngeal carcinoma (third-line treatment, monotherapy)			NMPA approved in February 2021, FDA BLA accepted			China	
		NCT03113266	Urothelial carcinoma (second-line treatment, monotherapy)			NMPA approved in April 2021			China	
		NCT03581786	Nasopharyngeal carcinoma (first-line treatment, combo with chemo)			NMPA approved in November 2021, FDA BLA accepted			International multi-center	FDA Breakthrough Therapy Designation, Priority Review
		NCT03829969	Esophageal squamous cell carcinoma (first-line treatment, combo with chemo)			NDA accepted			China	FDA Orphan Drug Designation
		NCT03856411	EGFR negative non-small cell lung cancer (first-line treatment, combo with chemo)			NDA accepted			China	
		NCT03924050	EGFR mutated TKI failed terminal stage non-small cell lung cancer (combo with chemo)			Pivotal registered clinical trial			China	
		NCT04772287	Non-small cell lung cancer (neoadjuvant)			Pivotal registered clinical trial			China	
		NCT04012606	Small cell lung cancer (first-line treatment, combo with chemo)			Pivotal registered clinical trial			China	Completed subjects enrollment
		NCT04848753	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 cancer (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	Completed subjects enrollment
		NCT03859128	Hepatocellular carcinoma (adjuvant)			Pivotal registered clinical trial			China	Completed subjects enrollment
		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	
		NCT05180734	Adenocarcinoma of the stomach or gastroesophageal junction (adjuvant)			Pivotal registered clinical trial			International multi-center	
			/	Mucosal melanoma (combo with axitinib)						United States
	NCT03474640	Sarcoma						United States	FDA Orphan Drug Designation	

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

Pre Clinical			Phase I			Phase II	Phase III	Approved/ under review
<b>JS011</b> Undisclosed Tumors	<b>JS113</b> EGFR 4th Gen Non-small cell lung cancer	<b>JS207</b> PD-1 +Undisclosed Tumors	<b>JS001sc</b> PD-1 Tumors	<b>JS019</b> CD39 Tumors	<b>JS112</b> Aurora A Small cell lung cancer	<b>JS004 (TAB004)</b> BTLA Lung cancer, Melanoma, etc.	<b>JS109</b> PARP Ovarian cancer	<b>Toripalimab</b> PD-1 Tumors ✓
<b>JS013</b> CD93 Tumors	<b>JS114</b> Nectin4 ADC Tumors	<b>JS209</b> CD112R+TIGIT Tumors	<b>JS003</b> PD-L1 Tumors	<b>JS101</b> Pan-CDK Breast cancer, etc.	<b>JS201</b> PD-1/TGF-β Tumors	<b>JS005</b> IL-17A Psoriatic, spondylitis	<b>Bevacizumab</b> VEGF Non-small cell lung cancer	<b>Adalimumab</b> TNF-α Rheumatoid arthritis ✓
<b>JS015</b> DKK1 Tumors	<b>JS115</b> BCMA ADC Multiple myeloma	<b>JS211</b> PD-L1+ Undisclosed Tumors	<b>JS006 (TAB006)</b> TIGIT Tumors	<b>JS107</b> Claudin18.2 ADC Gastrointestinal cancer	<b>JS103</b> Uricase Hyperuricacidemia		<b>Ongericimab</b> PCSK9 Hyperlipidemia	<b>Etesevimab*</b> S protein COVID-19 ✨
<b>JS018</b> IL-2 Tumors	<b>JS116</b> KRAS Tumors	<b>JS008</b> Undisclosed	<b>JS007</b> CTLA-4 Lung cancer, melanoma	<b>JS108</b> Trop2 ADC Triple negative breast cancer	<b>UBP1213sc</b> BLyS Systemic lupus erythematosus		<b>JT001 (VV116)</b> RdRp COVID-19 ✨	
<b>JS104</b> Pan-CDK Breast cancer, etc.	<b>JS203</b> CD3+CD20 Tumors	<b>JS401</b> Undisclosed (RNAi) Metabolic diseases	<b>JS012</b> Claudin 18.2 Gastric cancer	<b>JS110</b> XPO1 Multiple myeloma, etc.	<b>JS026</b> S protein COVID-19 ✨			
<b>JS105</b> PI3K-α Breast cancer, renal cell carcinoma	<b>JS206</b> IL-2+PD-1 Tumors	<b>JS010</b> CGRP Migraine	<b>JS014</b> IL-21 Tumors	<b>JS111</b> EGFR exon 20 Non-small cell lung cancer				
<b>JS120</b> IDH1 Tumors	<b>JS121</b> SHP2 Tumors	<b>JT003 (VV993)</b> 3CL protease COVID-19 ✨						
<b>JS122</b> FGFR2 Tumors	<b>JS123</b> ATR Tumors	<b>JT109</b> Vaccine Zika virus ✨						
<b>JS009 (TAB009)</b> CD112R/PVRIG Tumors								

- Oncology**
- Metabolism**
- Immunology**
- Neurologic**
- Infectious disease**
- Approved**
- JunTop Biosciences pipeline**

\* Received Emergency Use Authorization from FDA

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 compliance with relevant regulations.

## BUSINESS REVIEW

### Our products under commercialization

#### TUOYI® (toripalimab)

- *Milestones and achievements of commercialization*

Our self-developed TUOYI® (toripalimab) is the first domestic anti-PD-1 monoclonal antibody successfully launched in China, addressing various malignant tumors. It won the “China Patent Gold Award”, the highest award in the field of national patents, and has been supported by two National Major Science and Technology Projects for “Major New Drugs Development” during the “Twelfth Five-Year Plan” and “Thirteenth Five-Year Plan” periods. On 17 December 2018, TUOYI® was granted a conditional approval from the NMPA for the treatment of patients with unresectable or metastatic melanoma. In February 2021, TUOYI® was granted conditional marketing approval by the NMPA for the treatment of patients with recurrent or metastatic NPC after failure of at least two lines of prior systemic therapy. In April 2021, TUOYI® was granted conditional marketing approval by the NMPA for the treatment of patients with locally advanced or metastatic UC who failed platinum-containing chemotherapy or progressed within 12 months of neoadjuvant or adjuvant platinum-containing chemotherapy. In July 2021, sNDA for TUOYI® in combination with platinum-containing chemotherapy as the first-line treatment for patients with locally advanced or metastatic ESCC was accepted by the NMPA. In November 2021, TUOYI® in combination with cisplatin/gemcitabine as the first-line treatment for patients with local relapsed or metastatic NPC obtain marketing approval from the NMPA. In December 2021, sNDA for TUOYI® in combination with standard first-line chemotherapy for untreated and driver-gene negative advanced NSCLC was accepted by the NMPA. In addition, TUOYI® has been recommended by the Guidelines of the Chinese Society of Clinical Oncology (CSCO) for the Diagnosis and Treatment of Melanoma\* (《中國臨床腫瘤學會「CSCO」黑色素瘤診療指南》), Guidelines of CSCO for the Diagnosis and Treatment of Head and Neck Tumors\* (《CSCO頭頸部腫瘤診療指南》), Guidelines of CSCO for the Diagnosis and Treatment of NPC\* (《CSCO鼻咽癌診療指南》), Guidelines of CSCO for the Diagnosis and Treatment of UC\* (《CSCO尿路上皮癌診療指南》), the Clinical Application Guidelines for Immune Checkpoint Inhibitors\* (《CSCO免疫檢查點抑制劑臨床應用指南》) and others.

In 2021, TUOYI® continued to be included in Category B of the NRDL, and was newly included into the scope of two indications, namely treatment of patients with relapsed/metastatic NPC who have failed previous second-line or higher systemic therapy, locally advanced or metastatic UC that has failed platinum-containing chemotherapy including neoadjuvant or adjuvant chemotherapy progressing within 12 months, and became the only anti-PD-1 monoclonal antibody drug for melanoma and nasopharyngeal cancer treatment in the NRDL, which filled the gaps in immunotherapy for patients with advanced NPC and non-selective advanced UC in the NRDL, and became the only anti-PD-1 monoclonal antibody used in the treatment of melanoma and NPC in the NRDL.



The sales revenue of TUOYI® was RMB412 million for the year. After the official implementation of the 2020 NRDL in March 2021, the terminal pricing of TUOYI® products dropped by over 60% compared to the initial pricing in 2020. Moreover, after the continued inclusion in the 2021 NRDL and further price reduction of TUOYI® at the end of the Reporting Period, we compensated the price difference for the entire inventory of the distributors, which also had a certain impact on the recognition of product revenue for the current period. 2021 was also a relatively turbulent year for our commercialization team. Our team underwent several rounds of adjustment to chief commercial officers and sales forces, and jointly explored and worked with external partners on the promotion of TUOYI®. Due to the frequent restructuring of the team, the stability of team was greatly affected, and its execution ability has declined. As market activities were not executed in a stable manner, the effectiveness of market activities had declined, thus significantly affecting customers' confidence in cooperation. Given the above reasons and the increasingly intensive competition for commercialization of PD-1 products in the domestic market, although the sales volume of TUOYI® increased in 2021 under the circumstance that only niche indications were included in the NRDL and large indications for larger applicable population have not been approved for marketing, sales on a price-for-volume basis have yet to be achieved, leading to negative growth in sales revenue.

In November 2021, the Board of Directors of the Company agreed to appoint Mr. Li Cong as a co-chief executive officer of the Company to be fully responsible for the Company's commercialization-related work. As of the date of this announcement, the Company has completed the restructuring of the commercialization team, and Mr. Li Cong has completed the establishment and restoration of the regional marketing team and also increased the headcount of the core market personnel. In December 2021, after friendly negotiation, the Company withdrew the promotion rights as agreed in the agreement with AstraZeneca Pharmaceutical and the Company's commercialization team would be independently responsible for all promotion activities of TUOYI® in mainland China. Through the urban commercial insurance across the country, out-of-pocket expenses on the indications of TUOYI® that has been included in the NRDL were entitled to supplementary reimbursement under the NRDL in 102 cities. The newly approved nasopharyngeal cancer indication for first-line treatment in November 2021 has been included in the medical insurance catalogues in 11 cities, for which supplementary medical insurance could be obtained in 51 cities, thus reducing the burden on patients. As the Company recovered outsourced indications and wide-area marketing rights of TUOYI®, and TUOYI® for melanoma, nasopharyngeal cancer, and urothelial cancer indications has been successfully included in the NRDL, our team members have regained their confidence. The sales activities of TUOYI® in the domestic market have turned the corner and gradually returned to a normal level. A series of marketing campaign has commenced, aiming to reshape the market image of the Company and TUOYI®. Our team is confident that the Company can gain over 50% market share in the tumor fields covered by the indications that had been included in NRDL. With indications for other types of tumor being gradually approved for marketing, the Company would be able to gain its designated market share.

As an innovative drug company in the phase of rapid development, we are of the view that the setbacks we encountered on the journey to commercialization are temporary. As the construction of our commercialization team gradually becomes stable and orderly, more large indications of TUOYI® have completed the Phase III registration clinical trials and entered the commercial approval stage, the gradual realization of the prospective layout advantages of adjuvant and neoadjuvant therapies with TUOYI® in multiple indications as well as the upgrade of production capacity of commercial production batches of the Company's production base, the domestic sales of TUOYI® would recover progressively and begin to enter a positive cycle.

- *Milestones and achievements of clinical development*

Over 30 clinical studies covering more than 15 indications in respect of TUOYI® (toripalimab) have been conducted in China, the United States, Southeast Asia and Europe and other regions, involving new indications such as nasopharyngeal cancer, urothelial cancer, lung cancer, gastric cancer, esophageal cancer, liver cancer, and breast cancer. Among the pivotal registrational clinical studies, the Company has actively deployed perioperative adjuvant/neoadjuvant treatments for lung cancer, liver cancer, gastric cancer, esophageal cancer and other tumor types in addition to the extensive layout of TUOYI® for the first-line treatment of multiple tumor types.

Progress of clinical trials in China:

- In February 2021, the sNDA for TUOYI® in combination with cisplatin and gemcitabine as the first-line treatment for patients with locally recurrent or metastatic NPC was accepted by the NMPA. In November 2021, such indication was approved by the NMPA. The sNDA is based on JUPITER-02 study (NCT03581786), which is a randomized, double-blind, placebo-controlled, international multi-center, Phase III clinical study as well as the world's largest Phase III clinical study for the checkpoint inhibitor combined with chemotherapy in the first-line treatment of recurrent or metastatic NPC. Based on the interim analysis of JUPITER-02 study, the IDMC determined that the primary endpoint has crossed the pre-defined efficacy boundary, and the results demonstrate that compared with the standard first-line treatment of gemcitabine/cisplatin, TUOYI® combined with gemcitabine/cisplatin as a first-line treatment for patients with recurrent or metastatic NPC can obtain better PFS, a higher objective response rate (“**ORR**”) and a longer duration of response (“**DoR**”), and has good safety and tolerability. The median PFS was 11.7 and 8.0 months respectively. The 1-year PFS rates were 49.4% and 27.9%. Among all relevant subgroups including the subgroup of PD-L1 expression level, the improvement of PFS by the addition of TUOYI® was observed. The ORR of the TUOYI® group and the placebo group was 77.4% and 66.4% respectively, while the median DoR was 10.0 months and 5.7 months respectively. The study was published at the ASCO annual meeting convened in June 2021 by way of a Late-breaking Abstract (LBA) in the plenary session.
- In March 2021, TUOYI® was included in the BTD for the first-line treatment of advanced mucosal melanoma by the NMPA.

- In April 2021, the IDMC determined that TUOYI® in combination with paclitaxel/cisplatin as the first-line treatment for patients with advanced or metastatic ESCC has reached its pre-specified primary endpoints of PFS and OS at the interim analysis of a randomized, double-blind, placebo-controlled, multi-center, Phase III clinical study (JUPITER-06 study and NCT03829969). In July 2021, the sNDA for TUOYI® in combination with platinum-containing chemotherapy as the first-line treatment for patients with locally advanced or metastatic ESCC was accepted by the NMPA. Detailed clinical research data was announced at the European Society for Medical Oncology (ESMO) Congress 2021 held in September 2021. According to data announced by the congress, as of 22 March 2021, TUOYI® in combination with chemotherapy can significantly prolong the PFS of patients with ESCC, and can reduce the risk of disease progression or death by 42%. In addition, compared with chemotherapy alone, TUOYI® in combination with chemotherapy significantly prolonged the survival OS period of patients. The median OS was 17.0 months and 11.0 months respectively, with a prolonged period of up to 6 months.
- In December 2021, the sNDA for TUOYI® in combination with standard first-line chemotherapy for the first-line treatment of untreated and driver-gene negative advanced NSCLC was accepted by NMPA. The sNDA is based on a randomized, double-blind, multi-center, Phase III clinical study (“**CHOICE-01 Study**”) (NCT03856411). Clinical data from the CHOICE-01 Study was announced at the 2021 World Conference on Lung Cancer (WCLC) held in September 2021 and the 2022 ASCO Plenary Series held in March 2022. Based on the data of the relevant conferences, compared with solely chemotherapy, the use of TUOYI® in combination with chemotherapy for the first-line treatment of advanced non-small cell lung cancer without EGFR/ALK mutation can significantly prolong its median PFS, reduce the risk of disease progression by 51%, significantly prolong OS (immature vs 17.1 months), reduce risk of death by 31%, which is significantly beneficial to survival chance.
- During the Reporting Period, the enrollment of patients for the Phase III clinical study of TUOYI® in combination with etoposide plus platinum for the first-line treatment of patients with extensive-stage small cell lung cancer (“**SCLC**”) (NCT04012606) was completed; the enrollment of patients for the Phase III clinical trial of TUOYI® as the adjuvant treatment after radical resection of locally advanced hepatocellular carcinoma (“**HCC**”) (NCT03859128) was completed. The enrollment of patients for the Phase III random, open and multi-center clinical study of TUOYI® in combination with bevacizumab for the first-line treatment of advanced liver cell carcinoma versus sorafenib in terms of safety and effectiveness (NCT04723004) was completed. The dosing of the first patient was completed in the Phase III clinical study of TUOYI® in combination with standard chemotherapy as the adjuvant treatment after radical resection of adenocarcinoma of esophagogastric junction (NCT05180734).

#### International progress:

- TUOYI® has been granted 2 BTDs, 1 fast track designation, 1 priority review designation and 4 orphan-drug designations by the FDA for the treatment of mucosal melanoma, NPC, soft tissue sarcoma and esophageal carcinoma. The above designations were beneficial for the subsequent R&D, registration and commercialization of TUOYI® in the United States.
- the FDA also approved the IND application for an immediate Phase III clinical trial of TUOYI® in combination with axitinib for the first-line treatment of mucosal melanoma in January 2021.

- In February 2021, we entered into the Exclusive License and Commercialization Agreement with Coherus. The Company granted Coherus an exclusive license to develop, manufacture, commercialize, sell and otherwise develop TUOYI® in the Coherus Territory, and in consideration will receive a 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 TUOYI® in the Coherus Territory.
- In March 2021, we initiated the rolling submission of BLA for TUOYI® to the FDA for the treatment of recurrent or metastatic NPC and was accepted for rolling review by the FDA. TUOYI® has become the first domestic anti-PD-1 monoclonal antibody to initiate a rolling submission of BLA to the FDA and be accepted for a rolling review. In August 2021, TUOYI® in combination with gemcitabine/cisplatin as the first-line treatment of patients with advanced recurrent or metastatic NPC was granted a BTB by the FDA. This second BTB broadens the scope of FDA’s recognition of TUOYI®’s potential application for the treatment of NPC, and will speed up FDA’s evaluation of related indications. We completed the rolling submission of BLA for the indication of TUOYI® in combination with chemotherapy for the first-line treatment of recurrent or metastatic NPC, and the indication of TUOYI® monotherapy for second or third line recurrent or metastatic NPC in September 2021. At the end of October 2021, BLAs for the above two indications were accepted by the FDA. According to the acceptance letter, the FDA has granted priority review designation for the BLAs and indicated that it does not plan to hold an advisory committee meeting for the BLAs. The PDUFA date is set in April 2022.
- Publication of academic results

From the beginning of the Reporting Period to the date of this announcement, the results obtained in clinical research of TUOYI® in the current stage have also been included in many influential international academic journals and included in the presentations of many international academic conferences:

- The research result of TUOYI® in combination with CIK cell therapy for the treatment of NSCLC 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 NPC (POLARIS-02) in Journal of Clinical Oncology (IF: 44.544) in January 2021;
- Efficacy predictor analysis of TUOYI® for the treatment of advanced gastric cancer in Therapeutic Advances in Medical Oncology (IF: 8.168) in January 2021;
- A total of 3 research results of TUOYI® were selected, including the neoadjuvant treatment for HCC, neoadjuvant treatment for ESCC and maintenance treatment for SCLC, at the annual meeting of the American Association for Cancer Research (AACR 2021) in April 2021;
- A total of 39 studies related to TUOYI® were presented together, including an oral report at the general meeting, an oral report at the special session, 15 poster presentations and a number of online abstracts, covering more than 10 tumor types including nasopharyngeal cancer, head and neck cancer, melanoma, lung cancer, gastric cancer, esophageal cancer, liver cancer, cholangiocarcinoma and pancreatic cancer, at the annual meeting of the ASCO (ASCO 2021) in June 2021.

In particular, at ASCO 2021, the latest results of a study on TUOYI® in combination with chemotherapy for the first-line treatment of recurrent or metastatic NPC (JUPITER-02 study, #LBA2) were published in the form of LBA of the general meeting;

- The results of TUOYI® in combination with chemotherapy as the neoadjuvant treatment for ESCC were selected at the 29th annual meeting of the European Society of Thoracic Surgeons (ESTS 2021) in June 2021;
- In September 2021, the World Conference on Lung Cancer (WCLC 2021) announced the interim analysis result of Phase III key registered clinical study (CHOICE-01 Study) of TUOYI® in combination with chemotherapy as first-line treatment of patients with advanced NSCLC. At the same time, preliminary research findings of TUOYI® in combination with platinum-containing dual-agent chemotherapy as new adjuvant therapy for patients with phase IIIA-IIIB NSCLC, and research design of TUOYI® in combination with bevacizumab and platinum-containing chemotherapy as treatment of patients with newly treated advanced pulmonary sarcomatoid carcinoma (PSC) were also displayed in the form of posters;
- In September 2021, 11 latest researches on TUOYI® covering a wide range of tumors, including gastrointestinal tumors, lung cancer, gynecological tumors, uroepithelial cancer, head and neck tumors etc., were released in the form of oral reports and posters at the European Society for Medical Oncology Congress (ESMO 2021). In particular, the result of the Phase III clinical trial of TUOYI® in combination with chemotherapy as first-line treatment of advanced or metastatic ESCC (JUPITER-06 study) was released for the first time;
- In September 2021, the result of the Phase III study of TUOYI® in combination with chemotherapy as first-line treatment of recurrent or metastatic NPC (JUPITER-02 study) was published as a cover recommendation in Nature Medicine (IF: 53.440), a top international journal. This is also the first time in the 26 years of Nature Medicine's history that Chinese innovative drug research has been featured on the cover;
- In February 2022, the latest results of 3-year survival data and biomarker analysis of study of TUOYI® in combination with axitinib as treatment for advanced mucosal type melanoma (NCT03086174) were published in Journal for ImmunoTherapy of Cancer (IF:13.751);
- In March 2022, the research results of JUPITER-06 were published in Cancer Cell (IF31.734), an authoritative academic journal of Cell Press. The research results show that compared with placebo in combination with chemotherapy, TUOYI® in combination with chemotherapy (paclitaxel+cisplatin) as first-line treatment of patients with advanced or metastatic squamous cell carcinoma of the esophagus can significantly improve PFS and OS.

## ***Etesevimab (code: JS016/LY-CoV016)***

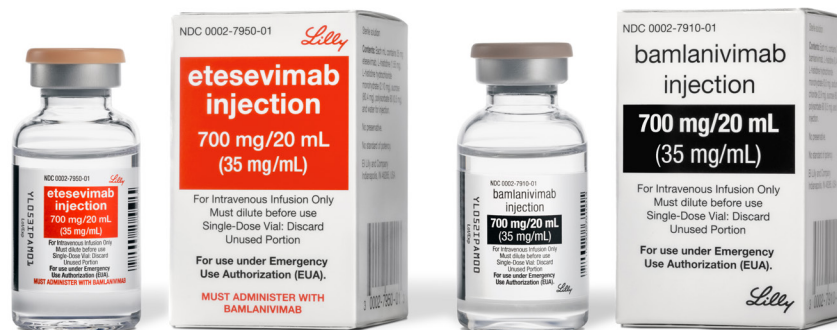
- Milestones and achievements of commercialization***

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 February 2021, the FDA officially granted the EUA for etesevimab and bamlanivimab administered together for the treatment of patients with mild to moderate COVID-19 aged 12 and above who were at high risk for progressing to severe COVID-19 and/or hospitalization. In September 2021, the scope of EUA was extended to include post-exposure prophylaxis to prevent COVID-19 infections in specific populations. In December 2021, the scope of EUA extended to include treatment and post-exposure prevention of mild to moderate COVID-19 for specific high-risk pediatric population (from infant to child aged under 12).

As of the end of the Reporting Period, etesevimab and bamlanivimab administered together has obtained the EUA in more than 15 countries and regions worldwide. With the accelerated progress of the cooperation, the Company has reached all the milestones agreed in the agreement between the two parties during the Reporting Period regarding the overseas authorization of etesevimab to Lilly.

- Milestones and achievements of clinical development***

As of the end of the Reporting Period, we completed Phase I study (NCT04441918) to evaluate the tolerability and safety of etesevimab single-dose intravenous therapy among healthy Chinese subjects. In addition, we have completed Phase Ib/II international multi-center clinical study (NCT04780321) for patients with mild to moderate COVID-19.



For overseas clinical study, our cooperative partner Lilly has completed the Phase I clinical study of etesevimab (NCT04441931) among healthy subjects in the United States. The Phase II/III clinical study among patients diagnosed with COVID-19 in the ambulatory setting (BLAZE-1, NCT04427501) was completed. In the Reporting Period, the Phase III clinical trial of the BLAZE-1 study reached the primary research endpoint. 1,400 mg of etesevimab and 700 mg of bamlanivimab administered together significantly reduced COVID-19-related hospitalizations and deaths in high-risk patients recently diagnosed with COVID-19. Amongst 769 patients, the event rate of the group being administered with etesevimab and bamlanivimab was 0.78% (4 events), while the event rate of the placebo group was 5.81% (15 events), representing a 87 percent risk reduction ( $p < 0.0001$ ). There were a total of 4 deaths in the study, all of which occurred in the placebo group. There was no death among the patients being administered etesevimab and bamlanivimab. In addition, preliminary results of the completed 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 treatment result of etesevimab 2,800 mg and bamlanivimab 2,800 mg together.

- Publication of academic results

During the Reporting Period, the progress achieved in clinical research of etesevimab have also been included in many influential international academic journals and included in the presentations of many international academic conferences:

- In January 2021, the Journal of the American Medical Association (JAMA, IF: 56.272), an internationally renowned journal, published the results of a clinical study on the effect of etesevimab and bamlanivimab administered together on the viral load of patients with mild to moderate COVID-19 (BLAZE-1 study) online;
- In May 2021, the Antimicrobial Agents and Chemotherapy (AAC, IF: 4.904), a renowned magazine of the American Society for Microbiology, published the results of the Phase I clinical study of etesevimab among healthy Chinese subjects online, which is the data report of the world's first Phase I novel coronavirus neutralizing antibody clinical trial in Chinese subjects;
- In July 2021, the New England Journal of Medicine (NEJM, IF: 91.245), a top academic journal in the world, published the updated data of the large-scale Phase III clinical trial (BLAZE-1) of etesevimab and bamlanivimab administered together for the treatment of patients with mild to moderate COVID-19.

***JUNMAIKANG® (Adalimumab, code: UBP1211)***

JUNMAIKANG® is a adalimumab jointly developed by us and T-mab BioPharma Co., Ltd.\* (江蘇泰康生物醫藥有限公司), a wholly-owned subsidiary of Mabwell (Shanghai) Bioscience Co., Ltd.\* (“**Mabwell Bio**”) (邁威(上海)生物科技股份有限公司). In March 2022, JUNMAIKANG® for the treatment of rheumatoid arthritis, ankylosing spondylitis and psoriasis received marketing approval from the NMPA. Mabwell Bio or its controlled subsidiaries will be responsible for the production and sales of JUNMAIKANG®, and the profits will be distributed between the Company and Mabwell Bio or its controlling subsidiaries on a 50:50 basis.

## **Our drug candidates under clinical trials**

### ***Ongericimab (code: JS002)***

Ongericimab is a recombinant humanized anti-PCSK9 monoclonal antibody independently developed by us for the treatment of primary hypercholesterolemia and mixed dyslipidemia. We are the first company in China to obtain clinical trial approval for the target drug. In the completed Phase I and Phase II clinical research, ongericimab showed sound safety and tolerability profile with significant efficacy in lowering blood cholesterol by reducing low-density lipoprotein cholesterol (LDL-C) by 55% to 70% compared to the baseline (equivalent to imported similar products). We are conducting Phase III clinical studies with larger patient population (including non-familial and heterozygous familial hypercholesterolemia) for further verification of efficacy and safety, and the enrollment of subjects in the pivotal Phase III clinical study was completed in the second half of 2021. Furthermore, we have also conducted a Phase II clinical study in patients with homozygous familial hypercholesterolemia (rare disease) and completed the enrollment of subjects in the second half of 2021. The study will provide valuable clinical research data for the clinical application of PCSK9 mAb in Chinese patients with homozygous familial hypercholesterolemia.

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

TAB004/JS004 is the world's first-in-human recombinant humanized anti-BTLA monoclonal antibody 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 entered the dose-expansion stage in Phase Ib/II. We are conducting combination trials of TAB004/JS004 and TUOYI® against multiple types of tumors in China and the United States, in order to exert a synergistic antitumor effect. We believe that the combination of the two is a promising antitumor treatment strategy, which is expected to increase patients' response to immunotherapy and expand the range of potential beneficiaries. As of the date of this announcement, there is no other disclosed anti-tumor product with the same target that has entered the clinical trial stage domestically and abroad.

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

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

In January 2022, pursuant to the Exclusive License and Commercialization Agreement we entered into with Coherus in February 2021, Coherus has initiated to exercise one of its options, the option program of TAB006/JS006, to obtain a license to develop TAB006/JS006 and any product that contains TAB006/JS006 in the treatment or prevention of diseases and disorders in humans in the Coherus Territory. Coherus made an one-off exercise payment of US\$35 million to us, and will pay up to an aggregate of US\$255 million upon achieving the prescribed milestone events, plus 18% royalty on the annual net sales of products containing TAB006/JS006 in the Coherus Territory.

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

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

***Recombinant humanized anti-Trop2 monoclonal antibody – Tub196 conjugate (code: JS108)***

JS108 is recombinant humanized anti-Trop2 monoclonal antibody – Tub196 conjugate. Trop2 is an important factor in tumor development. It appears in a variety of tumors at high levels, including breast cancer, NSCLC, SCLC, colon cancer and 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. As of the date of this announcement, the Phase I clinical study (NCT04601285) of JS108 is in progress. 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, Inc. (“**IMPACT Therapeutics**”). In August 2020, the Company and IMPACT Therapeutics entered into an agreement to form a joint investment company. The joint investment 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 (please refer to the Company’s announcements dated 20 August 2020 and 26 August 2020 for further details). During the Reporting Period, the patient enrollment of Phase III study of senaparib as the first-line maintenance treatment in platinum-sensitive advanced ovarian cancer patients has been completed, and is pending for clinical data evaluation.

### ***Anti-PD-1/TGF- $\beta$ bifunctional fusion protein (code: JS201)***

JS201 is a bifunctional fusion protein developed independently by us that simultaneously targets PD-1 and TGF- $\beta$  (transforming growth factor- $\beta$ ). PD-1 and TGF- $\beta$  usually show high expression at the same time in the tumor microenvironment. TGF- $\beta$  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- $\beta$  to play a synergistic antitumor effect. JS201 effectively blocks the PD-1/PD-L1 and TGF- $\beta$  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, the IND application for JS201 was accepted by the NMPA, and received IND approval in May 2021. In July 2021, the dosing of the first patient was completed in the Phase I clinical trial (NCT04956926) of JS201. The study aims to evaluate the safety, tolerability, pharmacokinetics and preliminary efficacy of JS201 in the treatment of patients with advanced malignant tumors in the dose escalation stage, dose expansion stage and clinical expansion stage. 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, the IND application for JS110 was accepted by the NMPA, and received IND approval in April 2021. As at the date of this announcement, the Phase I clinical trial of JS110 is in progress in China (NCT04991129).

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

### ***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. The IND application for JS103 was accepted by the NMPA in March 2021 and the IND approval was obtained in May 2021. JS103 is currently at the initiation stage of Phase I clinical study.

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

JS005 is a specific anti-IL-17A monoclonal antibody developed independently by us. In preclinical studies, JS005 has shown efficacy and safety comparable to those of 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. As of the date of this announcement, the Phase I clinical study of JS005 has completed, while 3 Phase II clinical studies on moderate to severe psoriasis, ankylosing spondylitis and non-radiographic axial spondyloarthritis are in progress.

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

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

### ***Recombinant humanised anti-Claudin18.2 monoclonal antibody (code: JS012)***

The active ingredient of JS012 injection is recombinant humanised anti-Claudin18.2 monoclonal antibody, which can target Claudin18.2, inhibit related signal pathway, kill tumor cells by initiating antibody-dependent cell-mediated cytotoxicity (ADCC) and complement-dependent cytotoxicity (CDC), and is intended to be used for the treatment of advanced malignant tumors, such as gastric cancer and pancreatic cancer. In September 2021, the IND application for JS012 was accepted by the NMPA, and received IND approval in November 2021.

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

JS107 is a recombinant humanized anti-Claudin18.2 monoclonal antibody-MMAE (Monomethyl auristatin E) conjugate for injection developed independently by us. It is an antibody-drug conjugate (ADCs) targeting tumor-related protein Claudin18.2, and is intended to be used for the treatment of advanced malignant tumors, such as gastric cancer and pancreatic cancer. JS107 can bind to Claudin18.2 on the surface of tumor cells, enter into tumor cells through endocytosis, and release the small molecule toxin MMAE, which has a strong lethality to tumor cells. JS107 also retained antibody-dependent cellular cytotoxicity (ADCC) and complement dependent cytotoxicity (CDC) effects, further killing tumor cells. Furthermore, due to the cell permeability of MMAE, JS107 can mediate indiscriminate killing of other tumor cells by way of its bystander effect, thereby improving the efficacy of treatment and inhibiting tumor recurrence. The pre-clinical in vivo pharmacodynamics showed that JS107 exhibits significant anti-tumor effect. In December 2021, the IND application for JS107 was accepted by the NMPA, and received IND approval in March 2022.

### ***Recombinant humanised anti-CD39 monoclonal antibody (code: JS019)***

The active ingredient of JS019 injection is a recombinant humanised anti-CD39 monoclonal antibody. CD39 is the enzyme responsible for the initial steps in the conversion of immune stimulatory extracellular adenosine triphosphate (ATP) to immune suppressive adenosine (ADO) 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. In September 2020, we entered into a collaboration agreement with Beijing Eirene in relation to the joint establishment of a joint venture, which will be responsible for the R&D, clinical application and commercialisation of CD39 drug. In October 2021, the IND application for JS019 was accepted by the NMPA, and received IND approval in December 2021.

### ***VV116 (code: JT001)***

VV116 is a novel oral nucleoside anti-SARS-CoV-2 agent that inhibits SARS-CoV-2 replication. Preclinical studies have shown that VV116 exhibits significant anti-SARS-CoV-2 effects both in vivo and in vivo, showing antiviral activity against both the original SARS-CoV-2 strain and known important variants (Alpha, Beta, Delta and Omicron), as well as high oral bioavailability and good chemical stability. In September 2021, JunTop Biosciences partnered with with Vigonvita to jointly undertake the clinical development and industrialisation of VV116, in the collaboration territory. As at the date of this announcement, we have completed 3 Phase I clinical research on healthy Chinese subjects (NCT05227768, NCT05201690, NCT05221138). The results of the research were published in Acta Pharmacologica Sinica, a renowned journal in the pharmaceutical field, which demonstrated that VV116 exhibited satisfactory safety and tolerability in healthy subjects, was rapidly absorbed orally, could be administered orally under fasting or normal diet conditions, and it has been suggested to explore two doses of 200 mg to 600 mg per day in subsequent clinical studies. Based on the positive results of the above I clinical study, we have also initiated an international multi-center, double-blind, randomized, placebo-controlled, Phase II/III clinical study (NCT05242042) for patients with mild to moderate COVID-19 with Vigonvita to evaluate the efficacy, safety and pharmacokinetics of VV116 for early treatment of patients with mild to moderate COVID-19. The study has completed the enrollment and dosing of the first patient in Shanghai Public Health Clinical Center\* (上海市公共衛生臨床中心), and is in progress in multiple centers globally.

In addition, another international multi-center, randomized, double-blind Phase III clinical study is in progress to evaluate the efficacy and safety of VV116 versus standard therapy in moderate-to-severe COVID-19 subjects, and has completed the enrollment and dosing of the first patient.

### **Other collaboration projects during the Reporting Period**

In July 2021, the Company and Immorna entered into an agreement in relation to the establishment of a joint investment company, which will be owned 50% by each party (for further details, please refer to the announcements of the Company dated 19 July 2021 and 23 July 2021). The joint investment company will mainly engage in the R&D, clinical research, application for approval, production and commercialization of product development projects in the fields of tumors, infectious diseases, rare diseases and other diseases agreed by both parties on the mRNA technology platform globally. The establishment of the joint investment company can complement each party's technological advantages to capitalize on the strengths of the mRNA general platform technology in cancer immunotherapy, infectious disease prevention and other fields in a more efficient manner, and continuously explore new directions of application.

### **Our manufacturing facilities**

We have two production bases. With GMP certification, Wujiang production base in Suzhou (“**Wujiang Production Base**”) has a 4,500L (9\*500L) fermentation capacity, 3,000L of which can be used in commercial production of the Company's products and production of clinical trial drugs. During the Reporting Period, the Wujiang Production Base has added a fermentation capacity of 1,500L so as to support the drug substance production of adalimumab and the production of drug candidates for use in clinical trials. Lingang Production Base 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, which supported the supply of drugs and drug substances in the overseas clinical trial of JS016 project during the early stage of development. In March 2022, Junshi Biotechnology passed the GMP compliance inspection, which means that the Lingang Production Base is fully equipped for the formal production of commercial batches of TUOYI®. By virtue of economies of scale, the expansion of production capacity in the Lingang Production Base provided the Company with a more competitive production cost and expedited the launch of new drugs by supporting 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.

From design to construction, the Lingang Production Base aims at achieving full digitalization, and will integrate production automation and digital management into actual production, striving to achieve four transformations as a digital “smart” factory:

- through the digitalization of production lines, workshops and factories, “black production” will be transformed into “transparent production”;
- through network, “data lagging behind the product” will be transformed into “data keeping in pace with the product”;
- through data analysis and control, “experience determines quality” will be transformed into “process guarantees quality”; and

- through the overall digitalization of “individuals, machine, material, method and environment”, “manual drug quality management” will be transformed into “systemic guarantee of drug quality”, so as to ensure drug safety from the source.

### **Other corporate development**

- In terms of innovative drug R&D, we continued to increase our R&D investment with R&D expenses amounting to RMB2,069 million during the Reporting Period, representing an increase of 16% as compared with the previous year, which strongly supported the R&D for our innovative drugs projects. As at the end of the Reporting Period, the Group owned 108 granted patents, of which 84 were domestic patents and 24 were overseas patents. These patents cover the molecular structure, preparation process, usage, preparation formula of new drugs, providing sufficient and long-life-cycle patent protection for our products.
- In 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, an aggregate of 36,549,200 new H Shares have been successfully allotted and issued by the Company in June 2021 at the placing price of HK\$70.18 per H Share to not less than six places. The net cash inflow from the Placing is approximately RMB2,105 million. The proceeds from the Placing are intended to be applied towards the R&D and pipeline expansion of drugs, expansion of the commercialization team, domestic and overseas investment, mergers and acquisitions, business development, and general corporate purposes.
- In December 2021, JunTop Biosciences implemented the series A financing, with 14 series A investors subscribing for the new registered capital of JunTop Biosciences at a total consideration of RMB1.275 billion. The proceeds will be used to finance the R&D and production of vaccine and anti-infective drug pipelines of JunTop Biosciences.
- From February 2021, the A Shares and H Shares of the Company have been included in Northbound Trading under Shanghai-Hong Kong Stock Connect and the Stock Connect Southbound Trading, respectively. From March 2021, the Company’s A Shares have been included in the STAR 50 index and the FTSE Global Equity Index, while the Company’s H Shares have been included 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. Since September 2021, the A Shares of the Company will be included in the MSCI China A Onshore Index. The Company has been rated by major domestic and international ESG rating agencies, of which Wind ESG and Sino-Securities Index granted the Company a rating of “A” and “AA” respectively.

## **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. 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 respect 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 2021, total operating revenue reached RMB4,025 million, representing a year-on-year increase of 152% compared with 2020, including: (i) revenue from pharmaceutical products of RMB427 million, decreased by 61% compared with the corresponding period in 2020, of which RMB412 million came from TUOYI®. After the official implementation of the 2020 NRDL in March 2021, the terminal pricing of TUOYI® products dropped by over 60% compared to the initial pricing in 2020. Moreover, after the continued inclusion in the 2021 NRDL and further price reduction of TUOYI® at the end of the Reporting Period, we compensated the price difference for the entire inventory of the distributors, which also had a certain impact on the recognition of product revenue for the current period; and (ii) revenue from out-licensing of RMB3,341 million. The revenue from out-licensing mainly came from the following two agreements: a) 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 etesevimab; b) the Exclusive License and Commercialization Agreement entered into between the Company and Coherus in February 2021, where the Company granted Coherus an exclusive license to develop, manufacture, commercialize, sell and otherwise develop TUOYI® and two option programs (if exercised) in the Coherus Territory.

## **2. R&D Expenses**

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

During the year ended 31 December 2021, R&D expenses were RMB2,069 million, which increased by RMB291 million as compared with corresponding period of 2020, representing a year-on-year increase of 16%. R&D expenses included clinical research and technical service expenses of RMB1,467 million, staff salary and welfare expenses of RMB408 million, depreciation and amortization expenses of RMB80 million, share-based payment expenses of RMB54 million and other operating expenses of RMB60 million, which increased by 2%, 68%, 82%, 391% and 54% as compared with the corresponding period in 2020, respectively.

The increase in R&D expenses was mainly due to (i) continuous increase of R&D investment, diversification and expansion of product pipelines, the acceleration of the development of existing clinical projects; (ii) expansion of the R&D team; and (iii) rise of remuneration cost including the expense of the Restricted A Share Scheme to incentivize and retain personnel.

## **3. Selling and Distribution Expenses**

Selling and distribution expenses mainly include expenses for marketing and promotion activities and travelling, expenses of the sales department, share-based payment expenses and other operating expenses.

During the year ended 31 December 2021, selling and distribution expenses amounted to RMB735 million, which increased by RMB47 million as compared with corresponding period of 2020, representing a year-on-year increase of 7%. The increase in selling and distribution expenses in 2021 was mainly due to the increase of remuneration cost of sales team to rapidly enhance hospital coverage rate and gain higher market shares for our products.

## **4. Administrative Expenses**

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

During the year ended 31 December 2021, administrative expenses amounted to RMB648 million, which increased by RMB205 million as compared with corresponding period of 2020, representing a year-on-year increase of 46%. Administrative expenses included: administrative staff cost of RMB251 million, office administration expenses of RMB118 million, depreciation and amortization expenses of RMB108 million, share-based payment expenses of RMB101 million and other miscellaneous expenses of RMB70 million, which increased by 2%, 26%, 66%, 742% and 169% as compared with the corresponding period in 2020, respectively. The significant increase in administrative expenses in 2021 was mainly due to (i) our business growth and organization expansion; and (ii) the Restricted A Share Incentive Scheme passed in November 2020 to attract and retain personnel and to ensure the achievement of our development strategies and business goals.

## 5. *Liquidity and Capital Resources*

As at 31 December 2021, bank balances and cash increased to RMB3,505 million from RMB3,385 million as at 31 December 2020. The increase in bank balances and cash mainly result from (i) funds raised from the successful placing of the Company's new H Shares; but (ii) offset by net cash outflow used in operating and investing activities.

## 6. *Non-IFRS Measures*

To supplement the Group's consolidated financial statements which are prepared in accordance with the IFRS, the Company has provided adjusted total comprehensive expenses for the year (excluding effects from non-cash related items and one-off events which include but not limited to 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:

	<b>Year ended 31 December</b>	
	<b>2021</b>	<b>2020</b>
	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
IFRS total comprehensive expense for the year	<b>(718,579)</b>	(1,687,567)
Add:		
Listing expense	–	1,102
Share-based payment expenses	<b>192,754</b>	30,728
Net exchange losses	<b>39,937</b>	11,672
Adjusted total comprehensive expense for the year	<b><u>(485,888)</u></b>	<b><u>(1,644,065)</u></b>

## 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 RMB12 million as at 31 December 2021 (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 dated 29 August 2019 (the “ <b>2019 Announcement</b> ”)		Planned use of proceeds as disclosed in the 2019 Annual Report		Planned use of proceeds as disclosed in the 2020 Interim Report		Utilized Proceeds as at 31 December 2021	Unutilized Proceeds as at 31 December 2021	Expected timeline for application of the Unutilized Proceeds <sup>(Note 3)</sup>
	RMB '000	% of total proceeds	(including amount already utilized as at 31 December 2019)	% of total proceeds	(including amount already utilized as at 30 June 2020)	% of total proceeds			
<b>Planned Usage</b>									
The R&D and commercialization of the Group’s drug candidates	1,952,203	65%	2,162,440	72%	2,372,677	79%	2,361,794	10,883	Expected to be fully utilized by 31 December 2022
<i>The R&amp;D and commercialization of the Group’s Core Product, JS001</i>	1,201,356	40%	1,201,356	40%	1,291,457	43%	1,287,010	4,447	Expected to be fully utilized by 31 December 2022
<i>The R&amp;D of the Group’s other drug candidates to fund clinical trials worldwide, including JS004, etc. <sup>(Note 1a)</sup></i>	480,542	16%	480,542	16%	600,678	20%	594,242	6,436	Expected to be fully utilized by 31 December 2022
<i>The construction of, acquisition of facilities for and settlement of start-up costs on the Lingang Site and the Wujiang Site <sup>(Note 1b)</sup></i>	270,305	9%	480,542	16%	480,542	16%	480,542	–	Was fully utilized by 31 December 2021
The Group’s investment in the health care and/or life science sector(s), including acquisition of companies, licensing-in and collaboration <sup>(Note 1c)</sup>	750,847	25%	540,610	18%	330,373	11%	329,802	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	10%	334,570 <sup>(Note 2)</sup>	301 <sup>(Note 2)</sup>	Expected to be fully utilized by 31 December 2022
	<b>3,003,389</b>	<b>100%</b>	<b>3,003,389</b>	<b>100%</b>	<b>3,003,389</b>	<b>100%</b>	<b>3,026,166</b>	<b>11,755</b>	

Notes:

1. As disclosed in the 2019 Announcement, in August 2019, adjustments were made on these items from the following original planned usage disclosed in the Prospectus:
  - a. Adjusted from “The R&D of the Group’s other drug candidates to fund clinical trials”
  - b. Adjusted from “The construction of the Lingang Production Base and the Wujiang Production Base”
  - c. Adjusted from “The Group’s investment in and acquisition of companies in the pharmaceutical sector”
2. The sum of proceeds includes interests of RMB35 million generated from bank savings accounts in which the IPO proceeds have been deposited.
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)\* (中國證券監督管理委員會證監許可[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. After deducting 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 <i>RMB'000</i>	Utilized proceeds as at 31 December 2021 <i>RMB'000</i>	Unutilized proceeds as at 31 December 2021 <i>RMB'000</i>	Expected timeline for application of the unutilized proceeds
Committed investment projects				
Research and development projects of innovative drugs	1,200,000	1,089,818	110,182	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	784,030	15,970	Expected to be fully utilized by 31 December 2023
Surplus proceeds	1,796,978	552,686	1,244,292	Expected to be fully utilized by 31 December 2023
<b>Total</b>	<b>4,496,978</b>	<b>3,126,534</b>	<b>1,370,444</b>	

## **RISK FACTORS**

### **1. *Risks related to pending profitability***

A long profit cycle is one of the most salient features of the biopharmaceutical industry. It typically takes a relatively long period for a biopharmaceutical company at the R&D stage to grow before it becomes profitable. As an innovative biopharmaceutical 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 the pace of the launch and the conditions of post-launch sales of drugs that we are currently developing. On the other hand, heavy R&D investments and high marketing and operating costs will add uncertainties to the Company's profitability. Therefore, the Company is exposed to the risk of not being able to become profitable in the short term.

Toripalimab, the first commercialized product of the Company, has officially been sold since 2019. With the inclusion of TUOYI® into the latest NRDL, successive completion of registrational clinical trials for more indications of TUOYI® (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 create conditions for the Company to turn around as soon as possible.

### **2. *Risks related to significant decline in performance or loss***

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

### **3. *Risks related to core competitiveness***

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

Among the anti-PD-1 monoclonal antibodies that have been approved for sales in China, four domestic anti-PD-1 monoclonal antibodies, including toripalimab, have been included in the NRDL upon negotiations. In the future, the Company will face intensive market competition in terms of market shares, 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 increased significantly, the Company's profitability may be adversely affected. At the same time, the Company's suppliers may not be able to keep up with the rapid development of the Company, such that they may have to reduce or terminate the supply of the Company's R&D services or raw materials. If such R&D technical services or the supply of raw materials were disrupted, the Company's business operations may be adversely affected. Furthermore, some of the Company's raw materials, equipment and consumables are imported. If there are significant changes in the international trade situation or cross-border relations, it may have a certain impact on the Company's production and drug development.

Adjustments to the 2021 NRDL have been completed. The Company's core product toripalimab injection continues to be included in Category B of the latest edition of the NRDL, and is the only anti-PD-1 monoclonal antibody used in the treatment of melanoma and nasopharyngeal cancer in the latest edition of the NRDL. The reduction in price after being 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\* (國家醫療保障局), the implementation of a series of policies such as control on medical insurance fees, publication of the new edition of the National Essential Medicine List\* (《國家基本藥物目錄》), consistency evaluation, reform in drug approval, compliance regulations, commencement of centralized procurement of “4+7” drugs on a trial basis and “zero tariff” on imported drugs, encouraging pharmaceutical enterprises to be innovative and reduce prices of drugs have become a general trend, and the industry landscape is about to be reshaped. If the Company fails to keep up with industry trends and continue with its innovation in the future, or if there are adverse changes in relevant industry policies, the Company’s development may be adversely affected.

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

## **6. *Risks related to the macro environment***

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 a certain extent due to certain factors such as healthcare resources being shifted towards the prevention and control of the spread of COVID-19, resources necessary for pandemic prevention and control, as well as public anxiety about the pandemic.

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

## **7. *Finance risks***

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

## **SUBSEQUENT EVENTS AFTER THE REPORTING PERIOD**

### **In relation to product development**

- In February 2022, TUOYI® in combination with standard chemotherapy as the adjuvant treatment of patients after curative resection for gastric or gastroesophageal junction adenocarcinoma phase III clinical study (JUPITER-15 study, NCT05180734) has completed dosing of the first patient.
- In March 2022, JUNMAIKANG® (Adalimumab) for the treatment of rheumatoid arthritis, ankylosing spondylitis and psoriasis received marketing approval from the NMPA.
- In March 2022, the IND application for JS105 (PI3K- $\alpha$  inhibitor) jointly developed by the Company and Risen Biosciences was accepted by the NMPA.

### **In relation to business operation**

- In January 2022, pursuant to the Exclusive License and Commercialization Agreement entered into between us and Coherus in February 2021, Coherus has initiated to exercise one of its options, the option program of recombinant humanized anti-TIGIT monoclonal antibody (code: TAB006/JS006), to obtain a license to exploit TAB006/JS006 and any product that contains TAB006/JS006 in the treatment or prevention of diseases and disorders in humans in the Coherus Territory. Coherus made an one-off exercise payment of US\$35 million to us, and will pay up to an aggregate of US\$255 million upon reaching the corresponding milestones, plus 18% royalty on the annual net sales of products containing TAB006/JS006 in the Coherus Territory.
- In March 2022, we entered into the License and Collaboration Agreement with Wigen Biomedicine to introduce four small molecule anti-tumour drugs, namely JS120 (second-generation irreversible IDH1 inhibitor), JS121 (SHP2 inhibitor), JS122 (second-generation irreversible FGFR2 selective inhibitor) and JS123 (ATR inhibitor), thus further enriching our pipeline in the cancer therapeutic area.
- In March 2022, Junshi Engineering, our wholly-owned subsidiary, passed the GMP compliance inspection, which means that Shanghai Lingang Production Base is fully equipped for the formal production of commercial batches for Toripalimab Injection. Shanghai Lingang Production Base was constructed based on CGMP standards, and the production capacity for the first phase project amounted to 30,000 litre. Due to scale effect, the expansion in capacity brought about by Shanghai Lingang Production Base will enable the Company to secure more competitive production costs.
- In March 2022, the Board passed the resolutions in relation to the proposed issuance of no more than 70 million A Shares to target subscribers under the General Mandate. The proceeds are expected to be no more than RMB3.98 billion, which will be used for R&D projects of innovative drugs and our technology headquarters and R&D base project. The issuance is subject to the approval of the Shareholders at the EGM, the approval of the Shanghai Stock Exchange and the approval of registration from the China Securities Regulatory Commission.

## **PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES**

As disclosed in the paragraph headed “Optimized the capital structure of the Company, emphasized ESG management and continuously enhanced corporate governance” above, during the Reporting Period, an aggregate of 36,549,200 new H Shares have been successfully allotted and issued by us at the placing price of HK\$70.18 per H Share to not less than six placees. Further details of the Placing are set out in the Company's announcements dated 16 June 2021 and 23 June 2021.

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 Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (the “**Hong Kong Listing Rules**”) as its own code of conduct regarding Directors' securities transactions. Having made specific enquiry with each of the Directors and supervisors of the Company (the “**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 annual general meeting, 2021 first class meeting of A Shareholders, and 2021 first class meeting of H Shareholders held on 29 June 2021, 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 change of registered address of the Company, the change of composition of the board of supervisors of the Company (the “**Board of Supervisors**”), and the exercise of pre-IPO share options granted under the pre-IPO share incentive scheme of the Company approved and adopted by the Shareholders on 14 May 2018 and amended on 15 July 2020 (the “**Pre-IPO Share Incentive Scheme**”). The amended Articles of Association became effective on 29 June 2021. For further details of the said amendments to the Articles of Association, please refer to the Company's announcement dated 30 March 2021 and circular dated 31 May 2021.

At the Company's 2021 first extraordinary general meeting held on 16 December 2021, the Shareholders passed a special resolution in relation to the amendments to the Articles of Association. The amendments were in relation to, among other things, the exercise of pre-IPO share options granted under the Pre-IPO Share Incentive Scheme (approved and adopted by the Shareholders on 14 May 2018 and amended on 15 July 2020). The amended Articles of Association became effective on 16 December 2021. For further details of the said amendments to the Articles of Association, please refer to the Company's announcement dated 15 November 2021 and circular dated 1 December 2021.

## CHANGES IN THE BOARD, 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 of Supervisors changed as follows:

- Dr. Feng Xiaoyuan – *appointed 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 of the Company (the “**Remuneration and Appraisal Committee**”) on 16 December 2021; effective on the same day*
- Dr. Jiang Hualiang – *resigned as an independent non-executive Director, chairman of the Nomination Committee and member of the Remuneration and Appraisal Committee on 30 August 2021, effective on 16 December 2021*
- Mr. Li Cong – *re-designated from a non-executive Director to an executive Director and appointed as the co-chief executive officer of the Company, ceased to be a member of the Audit Committee; effective on 2 November 2021*
- Mr. Tang Yi – *appointed as a member of the Audit Committee of the Company on 2 November 2021; effective on the same day*
- Mr. Yi Qingqing – *resigned as a non-executive Director on 29 June 2021; effective on the same day*
- Ms. Huo Yilian – *appointed as an employee representative supervisor on 29 June 2021; effective on the same day*
- Ms. Li Ruolin – *retired as an employee representative supervisor on 29 June 2021; effective on the same day*
- Mr. Fu Cexiong – *retired as an employee representative supervisor on 29 June 2021; effective on the same day*
- Mr. Liu Jun – *retired as an external supervisor on 29 June 2021; effective on the same day*

## **CORPORATE GOVERNANCE**

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

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

## **AUDIT COMMITTEE**

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

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

## **DISTRIBUTABLE RESERVES**

As at 31 December 2021, the Company did not have any distributable reserves.

## **FINAL DIVIDENDS**

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

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

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

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

	NOTES	Year ended 31 December	
		2021 RMB'000	2020 RMB'000
Revenue	3	4,024,841	1,594,897
Cost of sales and services		(1,258,187)	(372,531)
Gross profit		2,766,654	1,222,366
Other income		123,762	77,454
Other gains and losses	4	74,237	27,591
Impairment losses under expected credit loss model, net of reversal		342	(255)
Research and development expenses		(2,068,739)	(1,778,023)
Selling and distribution expenses		(734,563)	(687,971)
Administrative expenses		(647,950)	(443,346)
Share of profit (loss) of joint ventures		35	(1)
Share of losses of associates		(48,498)	(3,804)
Other expenses		(36,095)	(54,081)
Finance costs		(21,833)	(29,391)
Loss before tax		(592,648)	(1,669,461)
Income tax (expense) credit	5	(135,533)	3,822
Loss for the year		(728,181)	(1,665,639)
<b>Other comprehensive income (expense) for the year</b>			
<i>Item that will not be reclassified to profit or loss</i>			
Fair value gain on equity instruments at fair value through other comprehensive income		19,454	–
<i>Item that will may be reclassified subsequently to profit or loss</i>			
Exchange differences arising on translation of foreign operations		(9,852)	(21,928)
Other comprehensive income (expense) for the year		9,602	(21,928)
Total comprehensive expense for the year		(718,579)	(1,687,567)
<b>Loss for the year attributable to:</b>			
Owners of the Company		(718,557)	(1,665,639)
Non-controlling interests		(9,624)	–
		(728,181)	(1,665,639)
<b>Total comprehensive expense for the year attributable to:</b>			
Owners of the Company		(708,955)	(1,687,567)
Non-controlling interests		(9,624)	–
		(718,579)	(1,687,567)
<b>Loss per share</b>	6		
Basic (RMB yuan)		(0.80)	(2.02)
Diluted (RMB yuan)		(0.80)	(2.02)

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION***AT 31 December 2021*

		<b>At 31 December</b>	
	<i>NOTES</i>	<b>2021</b>	<b>2020</b>
		<b>RMB'000</b>	<b>RMB'000</b>
<b>Non-current assets</b>			
Property, plant and equipment		<b>2,727,809</b>	2,348,155
Right-of-use assets		<b>341,983</b>	186,239
Intangible assets		<b>40,251</b>	31,019
Interests in joint ventures		<b>16,056</b>	1,021
Interests in associates	<i>8</i>	<b>441,736</b>	65,150
Deferred tax assets		<b>88,550</b>	26,113
Other assets, prepayments and other receivables		<b>533,914</b>	297,725
Other financial assets	<i>10</i>	<b>1,027,108</b>	356,725
Restricted bank deposits		<b>1,574</b>	–
		<b>5,218,981</b>	<b>3,312,147</b>
<b>Current assets</b>			
Inventories		<b>484,601</b>	343,425
Trade receivables	<i>9</i>	<b>1,292,933</b>	663,323
Other assets, prepayments and other receivables		<b>549,141</b>	306,954
Other financial assets	<i>10</i>	<b>–</b>	17
Restricted bank deposits		<b>459</b>	–
Bank balances and cash		<b>3,504,605</b>	3,384,998
		<b>5,831,739</b>	<b>4,698,717</b>
<b>Current liabilities</b>			
Trade and other payables	<i>11</i>	<b>1,907,523</b>	1,215,016
Borrowings	<i>12</i>	<b>10,596</b>	252,346
Deferred income		<b>3,683</b>	–
Lease liabilities		<b>34,472</b>	25,220
Tax payables		<b>60,361</b>	–
		<b>2,016,635</b>	<b>1,492,582</b>
<b>Net current assets</b>		<b>3,815,104</b>	<b>3,206,135</b>
<b>Total assets less current liabilities</b>		<b>9,034,085</b>	<b>6,518,282</b>

		At 31 December	
	NOTES	2021	2020
		RMB'000	RMB'000
<b>Non-current liabilities</b>			
Borrowings	12	490,000	542,222
Deferred income		118,776	103,809
Lease liabilities		93,127	30,991
		<u>701,903</u>	<u>677,022</u>
<b>Net assets</b>		<b><u>8,322,182</u></b>	<b><u>5,841,260</u></b>
<b>Capital and reserves</b>			
Share capital	13	910,757	872,496
Reserves		7,050,146	4,968,767
		<u>7,960,903</u>	<u>5,841,263</u>
Equity attributable to owners of the Company		7,960,903	5,841,263
Non-controlling interests		371,279	(3)
		<u>8,332,182</u>	<u>5,841,260</u>
<b>Total equity</b>		<b><u>8,332,182</u></b>	<b><u>5,841,260</u></b>

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 December 2021

## 1. GENERAL

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

The principal activities of the Company and its subsidiaries are mainly discovery, development and commercialisation of innovative drugs.

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

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

### *Amendment to IFRSs that are mandatorily effective for the current year*

In the current year, the Group has applied the following amendment to IFRSs issued by the International Accounting Standards Board (the "IASB") for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2021 for the preparation of the consolidated financial statements:

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	Interest Rate Benchmark Reform – Phase 2
---	--

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

In addition, the Group applied the agenda decision of the IFRS Interpretations Committee (the "Committee") of the International Accounting Standards Board issued in June 2021 which clarified the costs an entity should include as "estimated costs necessary to make the sale" when determining the net realisable value of inventories.

### ***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 are not yet effective:

IFRS 17	Insurance Contracts and the related Amendments <sup>3</sup>
Amendments to IFRS 3	Reference to the Conceptual Framework <sup>2</sup>
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>4</sup>
Amendment to IFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021 <sup>1</sup>
Amendments to IAS 1	Classification of Liabilities as Current or Non-current <sup>3</sup>
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies <sup>3</sup>
Amendments to IAS 8	Definition of Accounting Estimates <sup>3</sup>
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction <sup>3</sup>
Amendments to IAS 16	Property, Plant and Equipment – Proceeds before Intended Use <sup>2</sup>
Amendments to IAS 37	Onerous Contracts – Cost of Fulfilling a Contract <sup>2</sup>
Amendments to IFRS Standards	Annual Improvements to IFRS Standards 2018 – 2020 <sup>2</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 April 2021.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2022.

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2023.

<sup>4</sup> Effective for annual periods beginning on or after a date to be determined.

### **3. REVENUE AND SEGMENT INFORMATION**

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

	<b>2021</b>	2020
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
<b>Timing of revenue recognition</b>		
<i>At a point in time</i>		
Sale of pharmaceutical products	426,636	1,102,278
Licensing income	3,341,118	405,103
Service income	1,066	87,516
	<u>3,768,820</u>	<u>1,594,897</u>
<i>Over time</i>		
Service income	<u>256,021</u>	–
	<u>4,024,841</u>	<u>1,594,897</u>

## **Sales of pharmaceutical products**

Revenue from sales of pharmaceutical products is recognised when control of the goods has transferred, being when the goods have been delivered to the customer's specific location. Following delivery, the customer bears the risks of obsolescence and loss in relation to the goods. The normal credit term is 60 days (2020: 35 to 65 days) upon delivery.

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

## **Licensing income**

Licensing income was generated from a sub-license agreement with Lilly and a license agreement with Coherus during the year ended 31 December 2021.

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 Lilly for the right to develop, manufacture and commercialise that potential product in the territory other than the PRC.

During the year ended 31 December 2021, the Group entered into a license agreement with Coherus, where the Group granted Coherus an exclusive right to sublicense, develop, manufacture, commercialise a potential therapeutic product in the United States of America (the "**USA**") and Canada. Alongside the license agreement, the Group also granted Coherus two exclusive options to develop, manufacture, commercialise other potential therapeutic products. The Group may receive upfront payment and milestone payments of an aggregate amount of USD290,000,000 before sales-based royalty for each option.

Revenue is recognised upon the transfer of license, achievement of certain milestones for milestone payments and upon the subsequent sales of antibodies product for sales-based royalty. During the year ended 31 December 2021, the Group recognised an upfront payment of RMB975,150,000 (2020: RMB 70,956,000) and milestone payments amounting to RMB1,254,234,000 (2020: RMB334,147,000) and sales-based royalty amounting to RMB1,111,734,000 (2020: nil), respectively. The Group may receive remaining milestone payments up to an aggregate amount of USD960,000,000 before sales-based royalty.

## **Service income**

The Group provides research and development services. Service income is recognised either at a point in time or over time, depending on the type of service provided. Revenue under fixed fee arrangement is recognised at a point in time for the R&D delivered to the customers by the Group. Performance obligation for the time-based service income is satisfied over time based on the time the Group spent as the Group does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date according to the agreement. The normal credit term is 45-60 days (2020: 60 days) upon issuance of invoices.

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

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

#### 4. OTHER GAINS AND LOSSES

	Year ended 31 December	
	2021	2020
	RMB'000	RMB'000
Fair value change of other financial assets measured at FVTPL	114,208	43,594
Gain on disposal of an associate	–	630
Loss on disposal of property, plant and equipment	(34)	(734)
Exchange losses, net	(39,937)	(11,672)
Others	–	(4,227)
	<u>74,237</u>	<u>27,591</u>

#### 5. INCOME TAX EXPENSE (CREDIT)

	Year ended 31 December	
	2021	2020
	RMB'000	RMB'000
Current tax		
PRC Enterprise Income Tax (“EIT”)	–	1,695
United States Corporate Income Tax	197,970	–
Underprovision in prior year:		
United States Corporate Income Tax	–	6
	<u>197,970</u>	<u>1,701</u>
Deferred tax	<u>(62,437)</u>	<u>(5,523)</u>
	<u>135,533</u>	<u>(3,822)</u>

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

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

United States Federal Corporate Income is 21% for both years.

TopAlliance Biosciences Inc., a wholly-owned subsidiary of the Company, is subject to the US California Corporate Income Tax rate of 8.84% (2020: 8.84%) for the year ended 31 December 2021. No provision for taxation in the United States has been made as TopAlliance Biosciences Inc. has no assessable profit for both years.

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

In addition, the Company is subject to United States Corporate Income Tax on licensing income received from USA-based customers amounting to RMB197,970,000 during the year ended 31 December 2021 (2020: nil). During the year ended 31 December 2021, effective tax rate ranges from 6% to 10%.

## 6. 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	
	2021	2020
	RMB'000	RMB'000
Loss for the year attributable to owners of the Company for the purpose of basic loss per share	<u>(718,557)</u>	<u>(1,665,639)</u>

### Number of shares:

	Year ended 31 December	
	2021	2020
Weighted average number of ordinary shares for the purpose of basic loss per share	<u>892,659,689</u>	<u>824,816,637</u>

### (b) Diluted

The Company granted share options on 14 May 2018 and granted RSUs on 16 November 2020 and 15 November 2021. The computation of diluted loss per share for the years ended 31 December 2021 and 31 December 2020 do not assume the exercise of the Company's outstanding share options and RSUs as this would result in a decrease in loss per share. Accordingly, diluted loss per share for the years ended December 31, 2021 and 2020 are the same as basic loss per share for the respective year.

## 7. DIVIDENDS

No dividend was paid or declared by the Company during the years ended 31 December 2021 and 2020, nor has any dividend been declared since the end of the reporting period.

## 8. INTERESTS IN ASSOCIATES

On 30 April 2021, the Group acquired 50% equity interest of Junshi Risen (Shanghai) Pharmaceutical Technology Co., Ltd.\* (君實潤佳(上海)醫藥科技有限公司) for a cash consideration of RMB20,000,000. On 19 July 2021, the Group invested in 50% equity interest of Shanghai Junshi Xihai Biotechnology Co., Ltd.\* (上海君實西海生物科技有限公司) for a cash consideration of RMB50,000,000.

During the year, the Group has made capital injection in aggregate of RMB355,084,000 to the associates, Anwita, Shanghai Junpai Yingshi Bio Pharmaceutical Co., Ltd.\* (上海君派英實藥業有限公司) and Suzhou Junjing Biosciences Co., Ltd.\* (蘇州君境生物醫藥科技有限公司).

	At 31 December	
	2021	2020
	RMB'000	RMB'000
Cost of investments in associates	495,930	70,846
Share of post-acquisition losses	(50,857)	(5,203)
Exchange realignment	<u>(3,337)</u>	<u>(493)</u>
	<u>441,736</u>	<u>65,150</u>

## 9. TRADE RECEIVABLES

	At 31 December	
	2021 <i>RMB'000</i>	2020 RMB'000
Trade receivables	1,285,243	589,207
Trade receivables backed by bank bills	<u>7,690</u>	<u>74,116</u>
	1,292,933	663,323
Less: Allowance for credit losses	<u>–</u>	<u>–</u>
	<u><b>1,292,933</b></u>	<u><b>663,323</b></u>

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

As at 1 January 2020, the trade receivables from contracts with customers amounted to RMB157,416,000.

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

	At 31 December	
	2021 <i>RMB'000</i>	2020 <i>RMB'000</i>
0 – 30 days	1,285,217	573,437
31 – 90 days	26	27,876
91 – 180 days	–	61,103
Over 180 days	<u>7,690</u>	<u>907</u>
	<u><b>1,292,933</b></u>	<u><b>663,323</b></u>

As at 31 December 2021, no trade receivables are past due. As at 31 December 2020, included in the Group's trade receivables balance are debtors with aggregate carrying amount of RMB61,583,000 which are past due. Out of the past due balances, no trade receivables have been past due 90 days or more.

As at 31 December 2021, total bank bills received amounting to RMB7,690,000 (2020: RMB74,116,000) 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.

## 10. OTHER FINANCIAL ASSETS

	At 31 December	
	2021	2020
	RMB'000	RMB'000
<b>Current assets</b>		
Financial assets measured at FVTPL		
– Fund	–	17
	<u>–</u>	<u>17</u>
<b>Non-current assets</b>		
Financial assets measured at FVTPL		
– Unlisted equity investments in partnership (Note a)	155,218	77,030
– Unlisted equity investments (Note b)	46,664	133,007
– Investments in preference shares (Note c)	551,651	146,688
– Warrant (Note d)	20,000	–
	<u>773,533</u>	<u>356,725</u>
Financial asset designated as FVTOCI (Note e)	253,575	–
	<u>1,027,108</u>	<u>356,725</u>

### Notes:

- (a) The amount represents unlisted equity investments 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 RMB78,569,000 (2020: RMB68,199,000), one out of seven members in the board of directors is designated by the Group.
- (d) The amount represents investment in a warrant amounted to RMB20,000,000 for the right to subscribe 4,687,301 preference shares of an investee. The Group may exercise its rights to acquire the preference shares of the investee 3 months after the approval on overseas direct investment by the State Administration of Foreign Exchange.
- (e) The amount represents equity investment in Coherus, whose shares are listed on the National Association of Securities Dealers Automated Quotations of the USA. The investment is not held for trading; instead, it is held for long-term strategic purpose. The management of the Group have elected to designate these investments in equity instruments as at FVTOCI as they believe that recognising short-term fluctuations in the investment’s fair value in profit or loss would not be consistent with the Group’s strategy of holding the investment for long-term purposes and realising the performance potential in the long run.

## 11. TRADE AND OTHER PAYABLES

	At 31 December	
	2021	2020
	RMB'000	RMB'000
Trade payables	196,205	90,706
Accrued expenses in respect of:		
– construction costs of construction in progress	89,874	106,018
– research and development expenses ( <i>Note a</i> )	227,709	215,933
– selling and distribution expenses	64,569	31,656
– others	54,149	48,330
Payment to Licensor ( <i>Note b</i> )	932,509	210,552
Payment to a collaboration party under collaboration agreement ( <i>Note c</i> )	15,742	30,149
Accrual for healthcare program	–	64,354
Salary and bonus payables	213,777	205,026
Other tax payables	20,579	19,620
Capital contribution payable to an investment		
in preference shares ( <i>Note d</i> )	–	68,199
Non-refundable deposit received from license agreement	–	32,625
Payable for transaction costs for the issue of H Shares	757	–
Other payables	91,653	91,848
	<b>1,907,523</b>	<b>1,215,016</b>

As at 31 December 2021, included in trade payables and other payables were RMB8,400,000 and RMB1,224,000 of related-parties payables (2020: nil) to Shanghai Ruotuo Biotechnology Co., Ltd. (“**Ruotuo Bio**”) and Jiangsu Ruihe Environmental Engineering Research Centre Co., Ltd. (“**Ruihe**”) for service fee payables and construction payables. Ruotuo is a subsidiary of the associate the Group invested in, Anwita and one of the Company’s director, Tang Yi is also the director of Ruihe. Payment terms with suppliers are mainly with credit term of 15 days to 60 days (2020: 15 days to 60 days) from the time when the goods and services are received from the suppliers. The following is an aged analysis of trade payables presented based on invoice date at the end of the reporting period:

	At 31 December	
	2021	2020
	RMB'000	RMB'000
0 – 30 days	143,117	74,433
31 – 60 days	32,625	4,316
61 – 180 days	13,473	2,009
Over 180 days	6,990	9,948
	<b>196,205</b>	<b>90,706</b>

*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 licensing income received by the Group from the Licensee 1. Amount represents the accrual on license income payable to Licensor at the end of reporting period, which is repayable upon 30 days after issuance of invoice.
- (c) Amount represents payable to a collaboration party for co-development of certain pharmaceutical products.
- (d) Amount represents capital contribution payable to an investment in preference shares as set out in Note 10.

## 12. BORROWINGS

	<b>At 31 December</b>	
	<b>2021</b>	2020
	<b>RMB'000</b>	RMB'000
Bank borrowings		
– secured	<b>500,596</b>	774,568
– unsecured	–	20,000
	<b>500,596</b>	794,568
The maturity profile of bank borrowings is as follows:		
– within one year	<b>10,596</b>	252,346
– within a period of more than one year but not exceeding two years	<b>30,000</b>	542,222
– within a period of more than two years but not exceeding five years	<b>220,000</b>	–
– within a period of more than five years	<b>240,000</b>	–
	<b>500,596</b>	794,568
Less: Amount due within one year shown under current liabilities	<b>(10,596)</b>	(252,346)
Amount shown under non-current liabilities	<b>490,000</b>	542,222

All bank borrowings are carried at fixed-rate and denominated in RMB as at 31 December 2021 and 2020.

### 13. SHARE CAPITAL

	<b>Total number of shares</b>	<b>Amount RMB'000</b>
Registered, issued and fully paid at RMB1.0 per share:		
At 1 January 2020	784,146,500	784,147
A Shares issued upon listing on the STAR Market ( <i>Note a</i> )	87,130,000	87,130
Exercise of share options	<u>1,219,500</u>	<u>1,219</u>
At 31 December 2020	872,496,000	872,496
H Shares issued on the Hong Kong Stock Exchange ( <i>Note b</i> )	36,549,200	36,549
Exercise of share options	<u>1,711,500</u>	<u>1,712</u>
At 31 December 2021	<u><u>910,756,700</u></u>	<u><u>910,757</u></u>

*Notes:*

- (a) On 15 July 2020, the Company 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.
- (b) On 23 June 2021, the Company issued 36,549,200 new H Shares at HK\$70.18 (equivalent to RMB58.39) per share on the Hong Kong Stock Exchange for a total gross proceeds of HK\$2,565,023,000 (equivalent to RMB2,134,381,000) from placing of new H Shares. The proceeds of RMB36,549,000 representing the par value of the shares of the Company, were credited to the Company's share capital. The remaining proceeds of RMB2,097,832,000 were credited to the share premium account of the Company.

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 2021 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 2021*

*Unit: Yuan Currency: RMB*

<b>Item</b>	<b>31 December 2021</b>	31 December 2020
<b>Current assets:</b>		
Cash and bank balances	<b>3,506,637,890.39</b>	3,384,997,561.89
Held-for-trading financial assets	–	17,102.05
Notes receivable	<b>7,690,139.10</b>	74,115,760.11
Accounts receivable	<b>1,293,122,136.21</b>	590,324,155.59
Prepayments	<b>389,753,382.63</b>	258,178,283.57
Other receivables	<b>28,053,132.85</b>	22,840,431.36
Including: Interest receivable	–	–
Dividend receivable	–	–
Inventories	<b>484,601,367.48</b>	343,425,428.27
Non-current assets due within one year	<b>1,532,929.35</b>	3,524,807.19
Other current assets	<b>133,500,475.11</b>	21,293,154.01
	<hr/>	<hr/>
Total current assets	<b><u>5,844,891,453.12</u></b>	<b><u>4,698,716,684.04</u></b>

<b>Item</b>	<b>31 December 2021</b>	<b>31 December 2020</b>
<b>Non-current assets:</b>		
Long-term equity investments	457,791,434.27	66,171,419.68
Investments in other equity instruments	253,575,159.55	–
Other non-current financial assets	773,532,521.25	356,724,866.15
Fixed assets	1,882,275,784.87	1,905,914,113.97
Construction in progress	801,933,713.18	415,550,140.47
Right-of-use assets	117,253,858.99	55,169,735.03
Intangible assets	264,979,896.47	162,088,048.23
Long-term prepaid expenses	27,792,436.42	13,236,525.11
Deferred tax assets	88,549,730.70	26,112,859.60
Other non-current assets	522,335,112.13	297,725,113.86
	<u>5,190,019,647.83</u>	<u>3,298,692,822.10</u>
Total non-current assets		
	<u>5,190,019,647.83</u>	<u>3,298,692,822.10</u>
Total assets	<u>11,034,911,100.95</u>	<u>7,997,409,506.14</u>
<b>Current liabilities:</b>		
Short-term loans	–	21,234,648.29
Notes payable	466,042.42	–
Accounts payable	1,584,702,519.58	797,697,494.08
Contract liabilities	45,796,586.82	43,142,036.14
Payroll payable	213,776,616.22	205,025,983.28
Taxes payable	76,076,252.32	19,619,540.34
Other payables	30,704,212.73	129,413,494.77
Including: Interest payable	–	–
Dividend payable	–	–
Non-current liabilities due within one year	45,067,562.07	256,331,193.26
Other current liabilities	4,863,465.79	–
	<u>2,001,453,257.95</u>	<u>1,472,464,390.16</u>
Total current liabilities		
	<u>2,001,453,257.95</u>	<u>1,472,464,390.16</u>

<b>Item</b>	<b>31 December 2021</b>	31 December 2020
<b>Non-current liabilities:</b>		
Long-term borrowings	<b>490,000,000.00</b>	542,222,222.23
Lease liabilities	<b>93,126,619.21</b>	30,991,342.99
Provisions	–	1,280,411.10
Deferred income	<b>122,458,529.87</b>	103,808,732.94
Other non-current liabilities	<b>11,498,407.24</b>	18,837,294.77
	<hr/>	<hr/>
Total non-current liabilities	<b>717,083,556.32</b>	697,140,004.03
	<hr/>	<hr/>
Total liabilities	<b>2,718,536,814.27</b>	2,169,604,394.19
	<hr/> <hr/>	<hr/> <hr/>
<b>Owners' equity:</b>		
Share capital	<b>910,756,700.00</b>	872,496,000.00
Capital reserves	<b>11,422,714,543.28</b>	8,632,380,276.66
Other comprehensive income	<b>209,175.29</b>	-9,392,471.15
Retained earnings	<b>-4,388,585,020.16</b>	-3,667,675,273.11
Total equity attributable to owners of the Company	<b>7,945,095,398.41</b>	5,827,808,532.40
Minority interests	<b>371,278,888.27</b>	-3,420.45
	<hr/>	<hr/>
Total equity attributable to owners	<b>8,316,374,286.68</b>	5,827,805,111.95
	<hr/>	<hr/>
Total liabilities and equity attributable to owners	<b>11,034,911,100.95</b>	7,997,409,506.14
	<hr/> <hr/>	<hr/> <hr/>

# CONSOLIDATED INCOME STATEMENT

January-December 2021

Unit: Yuan Currency: RMB

Item	2021	2020
<b>I. Total operating income</b>	<b>4,024,840,878.58</b>	1,594,896,563.71
Including: Operating income	<u>4,024,840,878.58</u>	<u>1,594,896,563.71</u>
<b>II. Total operating costs</b>	<b>4,728,259,847.90</b>	3,307,229,015.83
Including: Operating costs	<b>1,244,539,578.85</b>	372,531,315.44
Taxes and surcharges	<b>7,066,701.47</b>	7,720,723.16
Selling expenses	<b>734,562,684.12</b>	687,970,918.08
Administrative expenses	<b>641,986,006.73</b>	439,796,769.56
R&D expenses	<b>2,068,739,301.43</b>	1,778,022,998.63
Financial expenses	<b>31,365,575.30</b>	21,186,290.96
Including: Interest expenses	<b>16,052,610.99</b>	26,311,978.22
Interest income	<b>30,978,506.74</b>	20,278,062.35
Add: Other gains	<b>91,891,184.31</b>	18,454,780.22
Investment gains (“-” for losses)	<b>-47,187,002.52</b>	-5,621,281.37
Including: Gains from investments in associates and joint ventures	<b>-48,463,495.67</b>	-3,805,232.03
Gains from changes in fair value (“-” for losses)	<b>112,932,821.38</b>	46,041,869.09
Credit impairment loss (“-” for losses)	<b>342,010.44</b>	-254,733.11
Impairment loss of assets (“-” for losses)	<b>-13,647,467.60</b>	-4,227,129.84
Gains from disposal of assets (“-” for losses)	<b>812,916.93</b>	1,856,958.28
<b>III. Operating revenue (“-” for losses)</b>	<b>-558,274,506.38</b>	-1,656,081,988.85
Add: Non-operating income	<b>79,567.71</b>	38,721,476.92
Less: Non-operating expenses	<u><b>36,805,522.30</b></u>	<u>55,068,741.61</u>
<b>IV. Total profit (“-” for total losses)</b>	<b>-595,000,460.97</b>	-1,672,429,253.54
Less: Income tax expenses	<u><b>135,533,455.78</b></u>	<u>-3,821,933.78</u>
<b>V. Net profit (“-” for net losses)</b>	<b>-730,533,916.75</b>	-1,668,607,319.76
(I) Classified by business continuity		
1. Net profit from continuous operations (“-” for net losses)	<b>-720,909,747.05</b>	-1,668,607,319.76
2. Net profit from discontinued operations (“-” for net losses)	-	-
(II) Classified by ownership		
1. Net profit attributable to the shareholders (“-” for net losses)	<b>-720,909,747.05</b>	-1,668,606,831.68
2. Profit or loss attributable to minority interests (“-” for net losses)	<u><b>-9,624,169.70</b></u>	<u>-488.08</u>

Item	2021	2020
<b>VI. Other comprehensive income after-tax, net</b>	<b>9,601,646.44</b>	-21,928,417.32
(I) Other comprehensive income after-tax attributable to owners of the Company, net	<b>9,601,646.44</b>	-21,928,417.32
1. Other comprehensive income that cannot be reclassified into profit or loss	<b>19,454,302.40</b>	-
(1) Changes arising from remeasurement of defined benefit plan	-	-
(2) Other comprehensive income that cannot be reclassified to profit or loss using the equity method	-	-
(3) Changes in fair value of investments in other equity instruments	<b>19,454,302.40</b>	-
(4) Change in fair value due to enterprise's own credit risk	-	-
2. Other comprehensive income that can be reclassified to profit or loss	<b>-9,852,655.96</b>	-21,928,417.32
(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	<b>-9,852,655.96</b>	-21,928,417.32
(II) Other net comprehensive income after-tax attributable to minority shareholders	-	-
<b>VII. Total comprehensive income</b>	<b>-720,932,270.31</b>	-1,690,535,737.08
(I) Total comprehensive income attributable to owners of the Company	<b>-711,308,100.61</b>	-1,690,535,249.00
(II) Total comprehensive income attributable to minority shareholders	<b>-9,624,169.70</b>	-488.08
<b>VIII. Earnings per share</b>		
(I) Basic earnings per share (RMB/Share)	<b>-0.81</b>	-2.03
(II) Diluted earnings per share (RMB/Share)	<b>-0.81</b>	-2.03

## CONSOLIDATED CASH FLOW STATEMENT

January-December 2021

Unit: Yuan Currency: RMB

Item	2021	2020
<b>I. Cash flows from operating activities:</b>		
Cash receipts from the sale of goods and the rendering of services	<b>3,337,295,934.18</b>	1,388,923,443.36
Receipts of tax refunds	<b>72,362,699.32</b>	60,186,286.64
Other cash receipts relating to operating activities	<b>134,096,784.09</b>	131,244,367.75
Subtotal of cash inflows from operating activities	<b>3,543,755,417.59</b>	1,580,354,097.75
Cash payments for goods purchased and services received	<b>2,729,998,176.18</b>	2,076,118,043.15
Cash payments to and on behalf of employees	<b>1,117,620,032.04</b>	753,256,876.42
Payments of various types of taxes	<b>29,173,236.39</b>	34,541,369.81
Other cash payments relating to operating activities	<b>272,013,926.81</b>	172,814,386.37
Subtotal of cash outflows from operating activities	<b>4,148,805,371.42</b>	3,036,730,675.75
Net cash flows from operating activities	<b>-605,049,953.83</b>	-1,456,376,578.00
<b>II. Cash flows from investing activities:</b>		
Cash receipts from disposals and recovery of investments	<b>564,007,364.18</b>	3,006,388.00
Cash receipts from investment income	<b>1,276,493.15</b>	-
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	<b>11,562.57</b>	-
Other cash receipts relating to investing activities	<b>30,978,506.74</b>	90,307,062.35
Subtotal of cash inflows from investing activities	<b>596,273,926.64</b>	93,313,450.35
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets	<b>901,774,623.42</b>	580,470,475.15
Cash payments to acquire investments	<b>1,610,268,305.30</b>	175,137,075.93
Other cash payments relating to investing activities	<b>2,033,051.67</b>	78,112,541.94
Subtotal of cash outflows from investing activities	<b>2,514,075,980.39</b>	833,720,093.02
Net cash flows from investing activities	<b>-1,917,802,053.75</b>	-740,406,642.67

Item	2021	2020
<b>III. Cash flows from financing activities:</b>		
Cash receipts from capital contributions	<b>3,016,734,262.98</b>	4,526,880,787.50
Including: cash receipts from capital contributions from minority owners of subsidiaries	<b>895,000,000.00</b>	-
Cash receipts from borrowings	<b>500,000,000.00</b>	374,238,589.36
Subtotal of cash inflows from financing activities	<b>3,516,734,262.98</b>	4,901,119,376.86
Cash repayments of borrowings	<b>793,333,333.34</b>	401,416,401.41
Cash payments for distribution of dividends or profits or settlement of interest expenses	<b>16,691,425.94</b>	43,156,986.08
Including: payments for distribution of dividends or profits to minority owners of subsidiaries	-	-
Other cash payments relating to financing activities	<b>41,023,780.28</b>	43,023,000.75
Subtotal of cash outflows from financing activities	<b>851,048,539.56</b>	487,596,388.24
Net cash flows from financing activities	<b>2,665,685,723.42</b>	4,413,522,988.62
<b>IV. Effects of exchange rate fluctuations on cash and cash equivalents</b>	<b>-23,226,439.01</b>	-45,768,085.99
<b>V. Net increase in cash and cash equivalents</b>	<b>119,607,276.83</b>	2,170,971,681.96
Add: Opening balance of cash and cash equivalents	<b>3,384,997,561.89</b>	1,214,025,879.93
<b>VI. Closing balance of cash and cash equivalents</b>	<b>3,504,604,838.72</b>	3,384,997,561.89

# CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY

January-December 2021

Unit: Yuan Currency: RMB

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

Item	2020						
	Equity attributable to owners of the Company						
	Share Capital	Capital reserves	Other comprehensive income	Retained earnings	Subtotal	Minority interests	Total equity
<b>I. Closing balance of the preceding year</b>	<u>784,146,500.00</u>	<u>4,180,418,778.52</u>	<u>12,535,946.17</u>	<u>-1,999,068,441.43</u>	<u>2,978,032,783.26</u>	<u>-2932.37</u>	<u>2,978,029,850.89</u>
<b>II. Balance at the beginning of year</b>	<u>784,146,500.00</u>	<u>4,180,418,778.52</u>	<u>12,535,946.17</u>	<u>-1,999,068,441.43</u>	<u>2,978,032,783.26</u>	<u>-2,932.37</u>	<u>2,978,029,850.89</u>
<b>III. Changes in the current period</b> ("—" 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 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
<b>IV. Balance at the end of period</b>	<u><u>872,496,000.00</u></u>	<u><u>8,632,380,276.66</u></u>	<u><u>-9,392,471.15</u></u>	<u><u>-3,667,675,273.11</u></u>	<u><u>5,827,808,532.40</u></u>	<u><u>-3,420.45</u></u>	<u><u>5,827,805,111.95</u></u>

## **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 2021 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 2021 ANNUAL RESULTS AND 2021 ANNUAL REPORT**

This annual results announcement has been published on the websites of the Company ([www.junshipharma.com](http://www.junshipharma.com)), the Hong Kong Stock Exchange (<http://www.hkexnews.hk>) and the Shanghai Stock Exchange (<http://www.sse.com.cn>). The 2021 annual report of the Company containing all the information required by the Hong Kong Listing Rules will be dispatched to the Shareholders and published on the respective websites of the Hong Kong Stock Exchange and the Company in due course.

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

Shanghai, the PRC, 31 March 2022

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

\* For identification purpose only