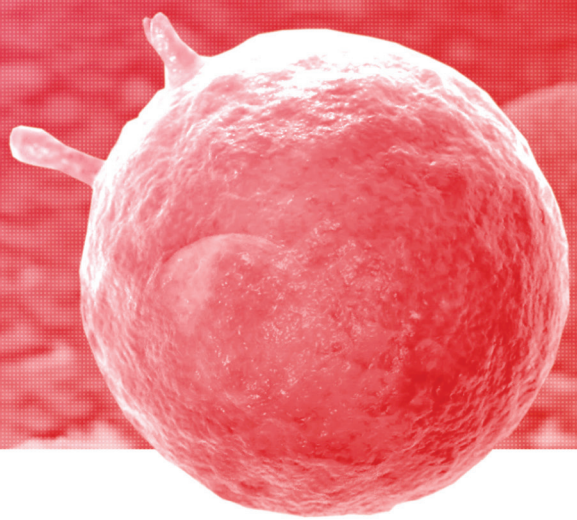
BeiGene

BeiGene, Ltd.
百濟神州有限公司

(incorporated in the Cayman Islands with limited liability)

Stock Code : NASDAQ : BGNE HKEX : 06160 SSE : 688235

CANCER HAS NO BORDERS
NEITHER DO WE



2023 INTERIM REPORT

CONTENTS

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Director

Mr. John V. Oyler
(Chairman and Chief Executive Officer)

Non-Executive Director

Dr. Xiaodong Wang

Independent Non-Executive Directors

Dr. Margaret Han Dugan
Mr. Donald W. Glazer
Mr. Michael Goller
Mr. Anthony C. Hooper*
Mr. Ranjeev Krishana
Mr. Thomas Malley
Dr. Alessandro Riva
Dr. Corazon (Corsee) D. Sanders
Mr. Qingqing Yi

AUDIT COMMITTEE

Mr. Anthony C. Hooper *(Chairman)*[note 1]
Mr. Thomas Malley
Dr. Corazon (Corsee) D. Sanders

COMPENSATION COMMITTEE

Dr. Margaret Han Dugan *(Chair)*
Mr. Ranjeev Krishana
Mr. Qingqing Yi

NOMINATING AND CORPORATE GOVERNANCE COMMITTEE

Mr. Donald W. Glazer *(Chairman)*
Mr. Michael Goller
Mr. Anthony C. Hooper
Dr. Alessandro Riva

SCIENTIFIC ADVISORY COMMITTEE

Dr. Xiaodong Wang *(Co-Chair)*
Dr. Alessandro Riva *(Co-Chair)*
Dr. Margaret Han Dugan
Mr. Michael Goller
Mr. Thomas Malley
Dr. Corazon (Corsee) D. Sanders
Mr. Qingqing Yi

COMMERCIAL AND MEDICAL AFFAIRS ADVISORY COMMITTEE

Mr. Anthony C. Hooper *(Chairman)*
Dr. Margaret Han Dugan
Mr. Ranjeev Krishana
Dr. Corazon (Corsee) D. Sanders

Notes:

* The Board redesignated Mr. Anthony C. Hooper as an independent non-executive director effective from April 17, 2023. For the period up to April 16, 2023, Mr. Anthony C. Hooper was a non-executive director of the Company.

1. Appointed as the chairman of the Audit Committee effective September 13, 2023.

COMPANY SECRETARY

Ms. Chau Hing Ling (FCG, HKFCG) of
Vistra Corporate Services (HK) Limited

AUTHORIZED REPRESENTATIVES

Mr. John V. Oyler
Ms. Chau Hing Ling

AUDITORS

As to Hong Kong financial reporting audit
Ernst & Young, Registered Public Interest Entity Auditor

As to United States financial reporting audit
Ernst & Young LLP

As to PRC financial reporting audit
Ernst & Young Hua Ming LLP

REGISTERED OFFICE

The offices of Mourant Governance Services
(Cayman) Limited
94 Solaris Avenue
Camana Bay
Grand Cayman KY1-1108
Cayman Islands

LEGAL ADVISORS

As to Hong Kong law and United States law
Skadden, Arps, Slate, Meagher & Flom

As to PRC law
Fangda Partners

As to Cayman Islands law
Mourant Ozannes

HONG KONG SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor
Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Mourant Governance Services (Cayman) Limited
94 Solaris Avenue, Camana Bay
Grand Cayman KY1-1108
Cayman Islands

STOCK CODE

06160

COMPANY WEBSITE

www.beigene.com

FORWARD-LOOKING STATEMENTS

This interim report contains forward-looking statements that involve substantial risks and uncertainties. These forward-looking statements are based on management's current expectations and projections about future events and trends that may affect the business, financial condition, and operating results. All statements other than statements of historical facts contained in this interim report are forward looking statements.

Forward looking statements often include words such as, but not limited to, "aim," "anticipate," "believe," "can," "continue," "could," "estimate," "expect," "goal," "intend," "may," "ongoing," "plan," "potential," "predict," "project," "seek," "should," "target," "will," "would" or the negative of these terms or similar expressions. These forward-looking statements include, but are not limited to, statements regarding:

- our ability to successfully commercialize our approved medicines and to obtain approvals in additional indications and territories for our medicines;
- our ability to successfully develop and commercialize our in-licensed medicines and drug candidates and any other medicines and drug candidates we may in-license;
- our ability to further develop sales and marketing capabilities and launch and commercialize new medicines, if approved;
- our ability to maintain and expand regulatory approvals for our medicines and drug candidates, if approved;
- the pricing and reimbursement of our medicines and drug candidates, if approved;
- the initiation, timing, progress and results of our preclinical studies and clinical trials and our research and development programs;
- our ability to advance our drug candidates into, and successfully complete, clinical trials and obtain regulatory approvals;
- our reliance on the success of our clinical stage drug candidates;
- our plans, expected milestones and the timing or likelihood of regulatory filings and approvals;
- the implementation of our business model, strategic plans for our business, medicines, drug candidates and technology;
- the scope of protection we (or our licensors) are able to establish and maintain for intellectual property rights covering our medicines, drug candidates and technology;
- our ability to operate our business without infringing, misappropriating or otherwise violating the intellectual property rights and proprietary technology of third parties;

- costs associated with enforcing or defending against intellectual property infringement, misappropriation or violation, product liability and other claims;
- the regulatory environment and regulatory developments in the United States, China, the United Kingdom, Switzerland, the European Union ("EU") and other jurisdictions in which we operate;
- the accuracy of our estimates regarding expenses, revenues, capital requirements and our need for additional financing;
- the potential benefits of strategic collaboration and licensing agreements and our ability to enter into and maintain strategic arrangements;
- our plans and expectations to build significant technical operations and independent production capabilities for small molecule medicines and large molecule biologics to support the global demand for both commercial and clinical supply;
- our reliance on third parties to conduct drug development, manufacturing and other services;
- our ability to manufacture and supply, or have manufactured and supplied, drug candidates for clinical development and medicines for commercial sale;
- the rate and degree of market access and acceptance of our medicines and drug candidates, if approved;
- developments relating to our competitors and our industry, including competing therapies;
- the size of the potential markets for our medicines and drug candidates and our ability to serve those markets;
- our ability to effectively manage our growth;
- our ability to attract and retain qualified employees and key personnel;
- statements regarding future revenue, hiring plans, key milestones, expenses, capital expenditures, capital requirements and share performance;
- the future trading price of our American Depositary Shares ("ADS") listed on NASDAQ, our ordinary shares listed on HKEX, and our ordinary shares issued to permitted investors in China and listed and traded on the STAR in Renminbi ("RMB Shares"), as well as the impact of securities analysts' reports on these prices;
- the impact of the COVID-19 pandemic on our clinical development, regulatory, commercial, manufacturing, and other operations; and
- other risks and uncertainties, including those listed under the section headed "Risk Factors" in the annual report for the year ended December 31, 2022.

FORWARD-LOOKING STATEMENTS

These statements involve risks, uncertainties and other factors that may cause actual results, levels of activity, performance or achievements to be materially different from the information expressed or implied by these forward-looking statements. Given these uncertainties, you should not place undue reliance on these forward-looking statements. Actual results or events could differ materially from the plans, intentions and expectations disclosed in the forward-looking statements we make. We have based these forward-looking statements largely on our current expectations and projections about future events and trends that we believe may affect our business, financial condition and operating results. We have included important factors in the cautionary statements included in this interim report that could cause actual future results or events to differ materially from the forward-looking statements that we make. Our forward-looking statements do not reflect the potential impact of any future acquisitions, mergers, dispositions, joint ventures or investments we may make.

Since actual results or outcomes could differ materially from those expressed in any forward-looking statements, we strongly caution investors against placing undue reliance on any such forward-looking statements. Any forward-looking statement speaks only as of the date on which such statement is made, and, except as required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "HK Listing Rules"), we undertake no obligation to update any forward-looking statement or statements to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events. Statements of or references to our intentions or those of any of our Directors are made as of the date of this interim report. Any such intentions may change in light of future developments.

This interim report includes statistical and other industry and market data that we obtained from industry publications and research, surveys and studies conducted by third parties. Industry publications and third-party research, surveys and studies generally indicate that their information has been obtained from sources believed to be reliable, although they do not guarantee the accuracy or completeness of such information. While we believe these industry publications and third-party research, surveys and studies are reliable, you are cautioned not to give undue weight to this information. All forward-looking statements in this interim report are expressly qualified by reference to this cautionary statement.

Unless the context requires otherwise, in this interim report, the terms "BeiGene," the "Company,""we,""us" and "our" refer to BeiGene, Ltd. and its subsidiaries, on a consolidated basis.

OVERVIEW

We are a global biotechnology company that is discovering and developing innovative oncology treatments that are more accessible and affordable to cancer patients worldwide.

We currently have three approved medicines that were internally discovered and developed, including BRUKINSA®, a small molecule inhibitor of Bruton's Tyrosine Kinase ("BTK") for the treatment of various blood cancers; tislelizumab, an anti-PD-1 antibody immunotherapy for the treatment of various solid tumor and blood cancers; and pamiparib, a selective small molecule inhibitor of PARP1 and PARP2. We have obtained approvals to market BRUKINSA in the United States, China, the EU, the UK, Canada, Australia and additional international markets, and tislelizumab and pamiparib in China. By leveraging our strong commercial capabilities, we have in-licensed the rights to distribute an additional 14 approved medicines for the China market. Supported by our global clinical development and commercial capabilities, we have entered into collaborations with world-leading biopharmaceutical companies to develop and commercialize innovative medicines.

We are committed to advancing best and first-in-class clinical candidates internally or with like-minded partners to develop impactful and affordable medicines for patients across the globe. We have conducted more than 120 clinical trials in-house, with over 21,000 subjects enrolled in approximately 45 regions. This includes more than 35 pivotal or potentially registration-enabling trials across our portfolio, including our three internally discovered, approved medicines.

We have built, and are expanding, our internal manufacturing capabilities. The Company is building a commercial-stage biologics manufacturing and clinical R&D center in New Jersey, in addition to our state-of-the-art biologic and small molecule manufacturing facilities in China to support current and potential future demand of our medicines. We also work with high quality global contract manufacturing organizations ("CMOs") to manufacture our internally developed clinical and commercial products.

Since our inception in 2010, we have become a fully integrated global organization of over 10,000 employees worldwide, including the United States, China, Europe, and Australia.

MANAGEMENT DISCUSSION AND ANALYSIS

RECENT DEVELOPMENTS

Recent Business Developments

On July 21, 2023, we announced that the Committee for Medicinal Products for Human Use of the European Medicines Agency issued a positive opinion recommending approval for tislelizumab as monotherapy for the treatment of adult patients with unresectable, locally advanced or metastatic esophageal squamous cell carcinoma after prior platinum-based chemotherapy.

On July 12, 2023, we announced the U.S. Food and Drug Administration ("FDA") accepted for review our supplemental new drug application ("NDA") for BRUKINSA in combination with obinutuzumab for the treatment of adult patients with relapsed or refractory follicular lymphoma after at least two prior lines of therapy. BRUKINSA was previously granted Fast Track and Orphan designation for this indication. The FDA has assigned a target action date in the first quarter of 2024, under the Prescription Drug User Fee Act.

On July 10, 2023, we announced entering into an agreement with DualityBio for BeiGene to acquire an exclusive option for a global clinical and commercial license to an investigational, preclinical antibody drug conjugate ("ADC") therapy for patients with select solid tumors.

On July 10, 2023, we announced we regained full, global rights to develop, manufacture and commercialize investigational TIGIT inhibitor ociperlimab as a result of a mutual decision with Novartis to terminate the Option, Collaboration and License Agreement with Novartis pursuant to which BeiGene granted Novartis an exclusive time-based option to receive such rights in North America, Europe, and Japan.

On July 4, 2023, with Luye Pharma Group Ltd. ("Luye"), we announced that Luye's innovative formulation, Goserelin Microspheres for Injection (Baituowei), was approved by China's National Medical Products Administration on June 30, 2023, for the treatment of prostate cancer in patients who need to be treated with an androgen deprivation therapy. This product is the world's first and only formulation of long-acting goserelin microspheres approved for launch, and the two companies have officially kicked off a strategic partnership for its commercialization.

On May 30, 2023, we announced that BRUKINSA was approved by Health Canada for the treatment of adult patients with chronic lymphocytic leukemia ("CLL").

On May 6, 2023, we announced that the China National Medical Products Administration approved four applications for BRUKINSA, including two supplemental new drug applications ("sNDAs") for treatment-naïve adults with CLL or small lymphocytic lymphoma ("SLL") and Waldenström's macroglobulinemia, and two supplemental applications for conversions from conditional approval to regular approval.

FUTURE AND OUTLOOK

We were founded with the vision to create an integrated biopharmaceutical company to transform the biotech industry, creating impactful medicines that will be affordable and accessible to far more patients around the world. We have made significant progress towards accomplishing this vision over our first 13 years and have five strategic competitive advantages positioning us for success both near- and long-term:

1. **We have built one of the world's largest, most productive and cost-effective oncology research teams** with about 1,100 scientists. Their efforts have been validated by commercial approvals, clinical data, and collaborations that have secured US$1.4 billion in collaboration payments to the Company. We have successfully developed three commercially approved medicines from our internal discovery engine, including BRUKINSA and tislelizumab. We design each research program with a differentiated biological hypothesis or a first-in-class mechanism of action. Our lead medicine, BRUKINSA, has demonstrated superiority for both progression-free survival and overall response rate versus ibrutinib in relapsed or refractory CLL. Our broad pipeline also includes internally developed products with the potential to be best-in-class or first-in-class, including our BCL-2 inhibitor, sonrotoclax (BGB-11417), our HPK1 inhibitor, BGB-15025, and BGB-16673, a BTK-targeted CDAC program that has demonstrated its potential with early data. Our pipeline also includes many early-stage assets for targets like OX40, LAG-3, and TIM-3. We have invested in technology platforms, including CDAC protein degraders, bispecific antibodies, tri-specific antibodies, ADC, CAR-NK, and mRNA. Our research and innovation capabilities will ensure we discover high-quality and impactful medicines for patients. On July 18, 2023, we hosted an investor Research and Development Day to provide an update on our deep and broad global innovation pipeline and platforms, and to share insights on our vision, differentiated capabilities, and value creation drivers.

2. **We have built a substantial global clinical development team** of more than 3,000 people on five continents, allowing us to run clinical trials predominantly without reliance on third party contract research organizations ("CROs"). Clinical development accounts for over 75% of the cost and most of the time to develop a medicine. We believe that by fully integrating these capabilities, we can create a strategic competitive advantage. By retaining clinical development activities internally, we can decrease the costs of our trials, increase enrollment speed, and leverage technology to ensure quality and consistency across trials and clinical sites. It also allows us to become more inclusive in the location and number of clinical sites to help improve the diversity of patients in our trials. Our demonstrated ability to complete large-scale, multi-regional clinical trials is one of our most important strategic competitive advantages and addresses an immense challenge in the pharmaceutical industry.

3. **We have built a strong commercial portfolio, centered around two cornerstone medicines, BRUKINSA and tislelizumab**, that are becoming primary revenue sources and will support the development of our future pipeline and additional combination therapies. Our hematological franchise is led by BRUKINSA, which is supported by a broad clinical program with over 5,000 patients in 35 trials in 29 markets. We ran two extensive head-to-head studies versus ibrutinib with over 800 patients enrolled. We are the first and only BTK inhibitor to demonstrate superior efficacy versus ibrutinib, and the data from the head-to-head ALPINE trial were selected for the prestigious late-breaker session at the American Society of Hematology ("ASH") meeting in

late 2022, with simultaneous publication in *The New England Journal of Medicine*. Based on the pooled safety data generated from our trials, we have shown a very favorable safety profile, especially when compared to ibrutinib in cardiovascular safety, including atrial fibrillation, ventricle arrhythmia, and hypertension. We believe BRUKINSA allows us to build a strong position in heme-oncology with our pipeline medicines, including our BCL-2 inhibitor, sonrotoclax, in both monotherapy and combination settings. Our solid tumor franchise is led by our anti-PD-1 monoclonal antibody, tislelizumab, which is currently approved in China in 11 indications. Tislelizumab has achieved the commercial market leader position in China in the PD-1/PDL-1 class. Outside of China, in conjunction with our partner Novartis, we have filed applications for approval in the U.S. and EU. With tislelizumab and the potentially best-in-class or first-in-class pipeline assets targeting OX40, TIGIT, LAG-3, and TIM-3, we are well-positioned to build our immuno-oncology business and deliver innovative therapies and combinations to patients.

4. **We have a differentiated international commercial organization** of over 3,500 people to deliver medicines to patients around the globe. In China, the commercial team is actively driving the uptake of our internally developed and partnered medicines across solid tumors and hematology. BRUKINSA and tislelizumab have achieved market leadership positions in China in the BTKi and PD-1/PDL-1 classes, respectively, and we have launched and sell 14 products from our business partners around the globe. In North America, our U.S. team has continued to grow BRUKINSA sales as we launch new indications and expand to Canada. In Europe, we have built a targeted commercial team focused on medical thought leaders in blood cancer treatments. Altogether, BRUKINSA has been approved in over 65 markets, with additional filings pending or planned. Our strategy is to commercialize our medicines broadly throughout the world. Our commercial capabilities have expanded into the Asia Pacific region through our affiliates, the Latin America region, and other emerging markets through distribution partners. We have built a global commercial organization that will drive the delivery of highly effective and differentiated medicines to patients around the globe, and will collaborate with business partners to bridge health inequities.

5. **We have financial strength**. In a time when the cost of capital has risen, we are well positioned financially. We already have substantial revenue from our cornerstone assets, which we expect to continue to grow significantly in 2023 and beyond. We expect product revenue growth to outpace our operating expense growth in the near-term, which will allow us to continue to improve our operating leverage. We will continue to be thoughtful and strategic in how we deploy our capital, and we are committed to generating long-term value.

FINANCIAL REVIEW

Revenue

Product Revenue

We generate product revenue through the sale of our three internally developed products and our in-licensed medicines from our partners.

Revenues from product sales are recognized when there is a transfer of control from the Company to the customer. The Company determines transfer of control based on when the product is delivered, and title passes to the customer. Revenues from product sales are recognized net of variable consideration resulting from rebates, chargebacks, trade discounts and allowances, sales returns allowances and other incentives. Provisions for estimated reductions to revenue are provided for in the same period the related sales are recorded and are based on contractual terms, historical experience and trend analysis.

Collaboration Revenue

We recognize collaboration revenue for amounts earned under collaborative and out-licensing arrangements. In January 2021, we entered into a collaboration and license agreement with Novartis, granting Novartis rights to develop, manufacture and commercialize tislelizumab in the United States, Canada, Mexico, member countries of the EU, UK, Norway, Switzerland, Iceland, Liechtenstein, Russia, and Japan (the Novartis Territory). There were two performance obligations identified at the outset of the agreement: (1) the exclusive license to develop, manufacture, and commercialize tislelizumab in the Novartis Territory, transfer of know-how and use of the tislelizumab trademark and (2) conducting and completing tislelizumab R&D services. Under this agreement, we received an upfront cash payment, which was allocated between the two performance obligations identified in the agreement based on the relative standalone selling prices of the performance obligations. The portion allocated to the license was recognized upon the delivery of the license right and transfer of know-how. The portion of the upfront payment allocated to the tislelizumab R&D services was deferred and is being recognized as collaboration revenue as the tislelizumab R&D services are performed using a percentage of completion method. Estimated costs to complete are reassessed on a periodic basis and any updates to the revenue earned are recognized on a prospective basis.

In December 2021, we expanded our collaboration with Novartis by entering into an option, collaboration and license agreement with Novartis to develop, manufacture and commercialize our investigational TIGIT inhibitor ociperlimab in the Novartis Territory. In addition, we entered into an agreement with Novartis which granted us rights to market, promote and detail five approved Novartis oncology products, TAFINLAR® (dabrafenib), MEKINIST® (trametinib), VOTRIENT® (pazopanib), AFINITOR® (everolimus), and ZYKADIA® (ceritinib), across designated regions of China referred to as “broad markets.” There were three performance obligations identified at the outset of the arrangement: (1) a material right for the option to the exclusive product license, (2) the right to access ociperlimab in clinical trials during the option period provided to Novartis, combined with the initial transfer of BeiGene know-how, and (3) conducting ociperlimab R&D services. The market development activities are considered immaterial in the context of the agreements. Under this agreement, we received an upfront cash payment, which was allocated between the three performance obligations identified in the agreement based on

the relative standalone selling prices of the performance obligations. The portion allocated to the material right was deferred and will be recognized at the earlier of when Novartis exercises the option and the license is delivered or the expiration or termination of the option. The portion of the transaction price allocated to Novartis' right to access ociperlimab in its own clinical trials during the option period and the initial transfer of BeiGene know-how was deferred and is being recognized over the expected option period. The portion of the transaction price allocated to the ociperlimab R&D services was deferred and is being recognized as collaboration revenue as the ociperlimab R&D services are performed over the expected option period.

The option exercise fee under the ociperlimab agreement is contingent upon Novartis exercising its right, and is considered fully constrained until the option is exercised or terminated. The potential milestone payments that we are eligible to receive under both of the Novartis collaborations were excluded from the initial transaction prices, as all milestone amounts are variable consideration and were fully constrained due to uncertainty of achievement. Performance-based milestones will be recognized when the milestone event is achieved or when the risk of revenue reversal is remote. Sales-based milestones and royalties will be recognized when the underlying sales occur.

In July 2023, we entered into a Mutual Termination and Release Agreement (the "Termination Agreement") to mutually terminate the ociperlimab option, collaboration and license agreement with Novartis, effective immediately. Pursuant to the Termination Agreement, we regained full, global rights to develop, manufacture and commercialize ociperlimab.

Expenses

Cost of Sales

Cost of sales includes the costs to manufacture our internally developed commercial products, as well as costs to purchase our internally developed products from commercial manufacturing organizations. Additionally, cost of sales included the cost of in-licensed products purchased for sale in the PRC. Costs to manufacture inventory in preparation for commercial launch of a product incurred prior to regulatory approval are expensed to research and development expense as incurred. Cost of sales for newly launched products will not be recorded until the initial pre-launch inventory is depleted and additional inventory is manufactured. To date, the Company's initial pre-launch inventory for its commercial products has been immaterial and has not had a significant impact on the Company's gross margin.

Research and Development Expenses

Research and development expenses consist of the costs associated with our research and development activities, conducting preclinical studies and clinical trials, and activities related to regulatory filings. Our research and development expenses consist of:

- expenses incurred under agreements with CROs, CMOs, and consultants that conduct and support clinical trials and preclinical studies;

- costs of comparator drugs in certain of our clinical trials;

- manufacturing costs related to pre-commercial activities;
- costs associated with preclinical activities and development activities;
- costs associated with regulatory operations;
- employee-related expenses, including salaries, benefits, travel and share-based compensation expense for research and development personnel;
- in-process research and development costs expensed as part of collaboration agreements entered into; and
- other expenses, which include direct and allocated expenses for rent and maintenance of facilities, insurance and other supplies used in research and development activities.

Our current research and development activities mainly relate to the clinical advancement of our internally developed medicines and drug candidates:

- BRUKINSA® (zanubrutinib), a small molecule inhibitor of BTK;
- tislelizumab, a humanized monoclonal antibody against PD-1;
- ociperlimab, an investigational humanized monoclonal antibody against TIGIT;
- Sonrotoclax (BGB-11417), an investigational small molecular inhibitor of Bcl-2;
- BGB-16673, an investigational Chimeric Degradation Activating Compound (CDAC), targeting BTK;
- pamiparib, a selective small molecule inhibitor of PARP1 and PARP2;
- BGB-15025, an investigational hematopoietic progenitor kinase 1 (HPK1) inhibitor;
- BGB-A445, an investigational non-ligand competing OX40 monoclonal antibody;
- Surzebiclimab (BGB-A425), an investigational humanized monoclonal antibody against TIM-3;
- BGB-10188, an investigational PI3Kδ inhibitor;
- Lifirafenib, an investigational small molecule inhibitor with RAF monomer and dimer inhibition activities;
- BGB-24714, an investigational second mitochondrial-derived activator of caspase (SMAC) mimetic;

- BGB-B167, an investigational carcinoembryonic antigen (CEA) and 4-1BB bispecific antibody (CEA x 4-1BB bispecific); and

- LBL-007, a novel investigational antibody targeting the LAG-3 pathway.

The Company stopped clinical development of BGB-23339, a potent, allosteric investigational tyrosine kinase 2 inhibitor, in systematic use due to change in the competitive landscape and prioritization of our internal R&D portfolio during the three months ended June 30, 2023.

Research and development activities also include costs associated with in-licensed drug candidates, including:

- R&D expense related to the co-development of pipeline assets under the Amgen collaboration agreement. Our total cost share obligation to Amgen is split between R&D expense and a reduction to the R&D cost share liability;

- sitravatinib, an investigational, spectrum-selective kinase inhibitor, licensed from Mirati Therapeutics, Inc.; and

- ZW25 (zanidatamab), an investigational bispecific antibody-based product candidates targeting HER2, licensed from Zymeworks Inc.

We expense research and development costs when incurred. We record costs for certain development activities, such as clinical trials, based on an evaluation of the progress to completion of specific tasks using data such as subject enrollment, clinical site activations or information our vendors provide to us. We expense the manufacturing costs of our internally developed products that are used in clinical trials as they are incurred as research and development expense. We do not allocate employee-related costs, depreciation, rental and other indirect costs to specific research and development programs because these costs are deployed across multiple product programs under research and development and, as such, are separately classified as unallocated research and development expenses.

At this time, it is difficult to estimate or know for certain, the nature, timing and estimated costs of the efforts that will be necessary to complete the development of our internally developed and in-licensed medicines and drug candidates. This is due to the numerous risks and uncertainties associated with developing such medicines and drug candidates, including the uncertainty of:

- successful enrollment in and completion of clinical trials;

- establishing an appropriate safety and efficacy profile;

- establishing and maintaining commercial manufacturing capabilities or making arrangements with third-party manufacturers;

- receipt of marketing and other required approvals from applicable regulatory authorities;

- successfully launching and commercializing our medicines and drug candidates, if and when approved, whether as monotherapies or in combination with our medicines and drug candidates or third-party products;
- market acceptance, pricing and reimbursement;
- obtaining and maintaining patent and trade secret protection and regulatory exclusivity for our medicines and drug candidates;
- continued acceptable safety and efficacy profiles of the products following approval;
- sufficient supply of the products following approval;
- competition from competing products; and
- retention of key personnel.

A change in the outcome of any of these variables with respect to the development of our medicines and drug candidates could significantly change the costs, timing and viability associated with the commercialization or development of that medicine or drug candidate.

Research and development activities are central to our business model. We expect continued substantial investment in research and development for the foreseeable future as our discovery and development programs progress, as we continue to support the clinical trials of our medicines and drug candidates as treatments for various cancers and as we move our medicines and drug candidates into additional clinical trials, including potential pivotal trials. There are numerous factors associated with the successful commercialization of any of our medicines and drug candidates, including future trial design and various regulatory requirements, many of which cannot be determined with accuracy at this time based on our stage of development. Additionally, future commercial and regulatory factors beyond our control may impact our clinical development and commercial programs and plans.

Selling, General and Administrative Expenses

Selling, general and administrative expenses consist primarily of product promotion costs, distribution costs, salaries and related benefit costs, including share-based compensation for selling, general and administrative personnel. Other selling, general and administrative expenses include professional fees for legal, consulting, auditing and tax services as well as other direct and allocated expenses for rent and maintenance of facilities, travel costs, insurance and other supplies used in selling, general and administrative activities. We anticipate that our selling, general and administrative expenses will increase in future periods to support planned increases in commercialization activities for our approved medicines, and the preparation for potential launch and commercialization of additional in-licensed products from our collaborations and internally developed products, if approved. We also incur significant legal, compliance, accounting, insurance and investor and public relations expenses associated with being a public company with our ADSs, ordinary shares and RMB Shares listed for trading on the NASDAQ, the HKEX and the STAR Market of the SSE, respectively.

Interest Income (Expense), Net

Interest Income

Interest income consists primarily of interest generated from our RMB-denominated cash deposits and short-term investments in money market funds, time deposits, U.S. Treasury securities and U.S. agency securities.

Interest Expense

Interest expense consists primarily of interest on our bank loans and related party loan.

Other Income (Expense), Net

Other income (expense), net consists primarily of gains and losses recognized related to fluctuations in foreign currency exchange rates, gains and losses on equity investments, government grants and subsidies received that involve no conditions or continuing performance obligations by us, unrealized gains and losses on equity securities, and realized gains and losses on the sale of investments. We hold significant cash in the form of RMB-denominated deposits at U.S. functional currency entities, including a large portion of the cash generated from the STAR Offering in December 2021. Other income (expense), net includes the revaluation gains and losses of these cash deposits based on foreign currency exchange rates.

RESULTS OF OPERATIONS

The following table summarizes our results of operations for the six months ended June 30, 2023 and 2022:

	Six Months Ended June 30,		Change	
	2023	2022	Amount	%
	(US dollars in thousands)			
Revenues				
Product revenue, net	**964,036**	566,084	397,952	70.3%
Collaboration revenue	**79,026**	82,114	(3,088)	(3.8)%
Total revenues	**1,043,062**	648,198	394,864	60.9%
Expenses				
Cost of sales – product	**177,779**	136,410	41,369	30.3%
Research and development	**831,348**	768,122	63,226	8.2%
Selling, general and administrative	**723,533**	625,976	97,557	15.6%
Amortization of intangible assets	**375**	376	(1)	(0.3)%
Total expenses	**1,733,035**	1,530,884	202,151	13.2%
Loss from operations	**(689,973)**	(882,686)	192,713	(21.8)%
Interest income, net	**31,086**	21,502	9,584	44.6%
Other expense, net	**(45,515)**	(117,650)	72,135	(61.3)%
Loss before income taxes	**(704,402)**	(978,834)	274,432	(28.0)%
Income tax expense	**25,166**	22,090	3,076	13.9%
Net loss	**(729,568)**	(1,000,924)	271,356	(27.1)%

[1] We revised certain prior period financial statements for an error related to the valuation of net deferred tax assets, the impact of which was immaterial to our previously filed financial statements in the second quarter of 2022 (see "Notes to the Condensed Consolidated Financial Statements, Note 1. *Description of Business, Basis of Presentation and Consolidation and Significant Accounting Policies*" and "Note 2. *Revision of Prior Period Financial Statements*" included in this interim report).

Comparison of the Six Months Ended June 30, 2023 and 2022

Revenue

Total revenue increased to US$1,043.1 million, or 60.9%, for the six months ended June 30, 2023, from US$648.2 million for the six months ended June 30, 2022, primarily due to increased sales of our internally developed products, BRUKINSA and tislelizumab, as well as increased sales of in-licensed products, most notably from the Amgen products.

The following table summarizes the components of revenue for the six months ended June 30, 2023 and 2022, respectively:

	Six Months Ended June 30,		Changes	
	2023	2022	Amount	%
	(US dollars in thousands)			
Product revenue	**964,036**	566,084	397,952	70.3%
Collaboration revenue:				
Research and development service revenue	**20,380**	24,240	(3,860)	(15.9)%
Right to access intellectual property revenue	**52,497**	52,497	–	–%
Other	**6,149**	5,377	772	14.4%
Total collaboration revenue	**79,026**	82,114	(3,088)	(3.8)%
Total Revenue	**1,043,062**	648,198	394,864	60.9%

Net product revenues consisted of the following:

	Six Months Ended June 30,		Changes	
	2023	2022	Amount	%
	(US dollars in thousands)			
BRUKINSA®	**519,658**	233,072	286,586	123.0%
Tislelizumab	**264,314**	192,522	71,792	37.3%
REVLIMID®	**45,005**	41,576	3,429	8.2%
XGEVA®	**44,165**	29,008	15,157	52.3%
POBEVCY®	**27,764**	19,798	7,966	40.2%
BLINCYTO®	**25,524**	21,396	4,128	19.3%
KYPROLIS®	**15,995**	8,405	7,590	90.3%
VIDAZA®	**7,119**	8,946	(1,827)	(20.4)%
Pamiparib	**3,725**	4,577	(852)	(18.6)%
Other	**10,767**	6,784	3,983	58.7%
Total product revenue	**964,036**	566,084	397,952	70.3%

Net product revenue increased 70.3% to US$964.0 million for the six months ended June 30, 2023, compared to US$566.1 million in the prior year period, primarily due to increased sales of BRUKINSA in the United States and China and increased sales of tislelizumab in China. In addition, there were increased sales of our in-licensed products from Amgen.

Global sales of BRUKINSA totaled US$519.7 million in the six months ended June 30, 2023, representing a 123.0% increase compared to the prior year period; U.S. sales of BRUKINSA totaled US$362.3 million in the six months ended June 30, 2023, compared to US$156.3 million in the prior year period, representing growth of 131.8%. U.S. sales continued to accelerate in the period, driven by the approval and launch of BRUKINSA for adult patients with CLL and SLL. BRUKINSA sales in China totaled US$96.5 million in the six months ended June 30, 2023, representing growth of 37.6% compared to the prior year period, driven by an increase in all approved indications. BRUKINSA rest of world sales totaled US$60.8 million in the six months ended June 30, 2023, representing growth of 814.4% compared to the prior-year period, driven by a significant increase in all approved indications, including CLL and SLL in Europe.

Sales of tislelizumab in China totaled US$264.3 million in the six months ended June 30, 2023, compared to US$192.5 million representing a 37.3% increase compared to the prior year period. In the six months ended June 30, 2023, new patient demand from broader reimbursement and further expansion of our salesforce and hospital listings continued to drive increased market penetration and market share for tislelizumab.

Collaboration revenue totaled US$79.0 million for the six months ended June 30, 2023, of which US$20.4 million was recognized from deferred revenue for R&D services performed during the six months ended June 30, 2023 under both the tislelizumab and ociperlimab collaborations, US$52.5 million was recognized from deferred revenue for Novartis' right to access ociperlimab over the option period, and US$6.1 million was recognized primarily related to the sale of tislelizumab clinical supply to Novartis and revenue generated under the broad markets marketing and promotion agreement. Collaboration revenue totaled US$82.1 million for the six months ended June 30, 2022, of which US$24.2 million was recognized from deferred revenue for R&D services performed during the six months ended June 30, 2022, US$52.5 million was recognized from deferred revenue for Novartis' right to access ociperlimab over the option period, and US$5.4 million was recognized related to the sale of tislelizumab clinical supply to Novartis (see Note 4 to our condensed consolidated financial statements included in this report).

Cost of Sales

Cost of sales increased to US$177.8 million for the six months ended June 30, 2023 from US$136.4 million for the six months ended June 30, 2022, primarily due to increased product sales of BRUKINSA and tislelizumab as well as sales of in-licensed products from Amgen in China.

Gross Margin

Gross margin on product sales increased to US$786.3 million for the six months ended June 30, 2023, compared to US$429.7 million in the prior year period, primarily due to increased product revenue in the current year period. Gross margin as a percentage of product sales increased to 81.6% for the six months ended June 30, 2023, from 75.9% in the comparable period of the prior year. The increase is primarily due to a proportionally higher sales mix of global BRUKINSA compared to lower margin sales of in-licensed products and lower per unit costs for BRUKINSA and tislelizumab, partially offset by the impact of lower selling prices in China from the listing of tislelizumab and BRUKINSA on the updated National Reimbursement Drug List.

Research and Development Expense

Research and development expense increased by US$63.2 million, or 8.2%, to US$831.3 million for the six months ended June 30, 2023 from US$768.1 million for the six months ended June 30, 2022. The following table summarizes external clinical, external non-clinical and internal research and development expense for the six months ended June 30, 2023 and 2022, respectively:

	Six Months Ended June 30,		Changes	
	2023	2022	Amount	%
	(US dollars in thousands)			
External research and development expense:				
Cost of development programs	**258,219**	232,009	26,210	11.3%
Amgen co-development expense[1]	**23,274**	46,789	(23,515)	(50.3)%
Total external research and development expenses	**281,493**	278,798	2,695	1.0%
Internal research and development expenses	**549,855**	489,324	60,531	12.4%
Total research and development expenses	**831,348**	768,122	63,226	8.2%

[1] Our co-funding obligation for the development of the pipeline assets under the Amgen collaboration for the six months ended June 30, 2023 totaled US$45.9 million, of which US$23.3 million was recorded as R&D expense. The remaining US$22.7 million was recorded as a reduction of the R&D cost share liability.

The increase in external research and development expenses in the six months ended June 30, 2023 was primarily attributable to increases in external clinical trial costs for BRUKINSA and sonrotoclax (BGB-11417) and preclinical trial costs for certain assets in our portfolio, partially offset by a decrease in Amgen co-development expenses and lower external clinical trial costs for tislelizumab.

Internal research and development expense increased US$60.5 million, or 12.4%, to US$549.9 million and was primarily attributable to the expansion of our global development organization and our clinical and preclinical drug candidates, as well as our continued efforts to internalize research and clinical trial activities, and included the following:

- US$39.5 million increase of employee salary and benefits, primarily attributable to hiring more research and development personnel to support our expanding research and development activities;

- US$12.0 million increase of share-based compensation expense, primarily attributable to our increased headcount of research and development employees, resulting in more awards being expensed related to the growing research and development employee population;

- US$11.0 million increase of facilities, depreciation, office expense, rental fees, lab consumables and other expenses to support the growth of our organization, partially offset by a US$7.0 million decrease in clinical inventory; and

- US$5.0 million increase in meetings, seminars and travel expenses mainly attributable to increased meetings and conferences travel normalizing.

Selling, General and Administrative Expense

Selling, general and administrative expense increased by US$97.6 million, or 15.6%, to US$723.5 million, for the six months ended June 30, 2023, from US$626.0 million for the six months ended June 30, 2022. The increase was primarily attributable to the following:

- US$68.2 million increase in external commercial-related expenses, including market research, sales and marketing, consulting and conference related expenses, related to the growth of our global commercial organization, including commercial expansion of BRUKINSA in CLL in the United States and Europe, as we continue to build our worldwide footprint and capabilities;

- US$18.9 million increase of employee salary and benefits, which was primarily attributable to the expansion of our commercial organizations in the United States, Europe, Canada, China and emerging markets, and the hiring of personnel to support our growing business;

- US$19.9 million increase of share-based compensation expense, primarily attributable to our increased headcount of sales and administrative employees, resulting in more awards being expensed related to the growing sales and administrative employee population;

- US$9.4 million decrease in general and administrative and other expenses primarily attributable to increased legal fees related to increased arbitration activities for the prior six months period ended June 30, 2022.

Interest Income, Net

Interest income, net increased by US$9.6 million, or 44.6%, to US$31.1 million of net interest income for the six months ended June 30, 2023, from US$21.5 million of net interest income for six months ended June 30, 2022. The increase in interest income was primarily attributable to higher interest rates earned on our cash, cash equivalents and short-term investments.

Other Expense, Net

Other expense, net decreased to US$45.5 million of net other expense for the six months ended June 30, 2023, from US$117.7 million for the six months ended June 30, 2022. The decrease in expense was primarily related to foreign exchanges losses resulting from the strengthening of the U.S. dollar compared to the RMB and the revaluation impact of RMB-denominated deposits held in U.S. functional currency subsidiaries being greater in the prior-year period. Also contributing to the decrease in expense was decrease in the unrealized loss on our equity investment in Leap Therapeutics.

Income Tax Expense

Income tax expense increased to US$25.2 million for the six months ended June 30, 2023, from US$22.1 million for the six months ended June 30, 2022. The income tax expense for the six months ended June 30, 2023 and June 30, 2022 was primarily attributable to current China tax expense due to certain non-deductible expenses and current U.S. tax expense determined after other special deductions and research and development tax credits.

DISCUSSION OF CERTAIN KEY BALANCE SHEET ITEMS

Cash, cash equivalents, restricted cash and short-term investments

As of June 30, 2023, the Company's cash, cash equivalents, restricted cash and short-term investments primarily comprised of (1) approximately US$1.2 billion denominated in US dollars; (2) approximately RMB16.3 billion (equivalent to approximately US$2.2 billion) denominated in Renminbi; and (3) approximately US$68.3 million denominated in Australian dollar, Euro and other currencies.

Accounts receivable, net

Accounts receivable increased by 72.8% from US$173.2 million as of December 31, 2022 to US$299.3 million as of June 30, 2023, primarily due to the increased sales of our internally-developed products and in-licensed products.

Inventories

The inventories increased by 13.8% from US$282.3 million as of December 31, 2022 to US$321.3 million as of June 30, 2023, primarily due to stock preparation for the increased sales of our internally-developed products.

Prepaid expenses and other current assets

Prepaid expenses and other current assets increased by 17.8% from US$216.6 million as of December 31, 2022 to US$255.1 million as of June 30, 2023. The increase was primarily due to: (i) the increase of manufacturing costs of our internally developed products; and (ii) the increase of other receivables associated with the employee tax payments on share-based compensation.

Property, plant and equipment, net

Property, plant and equipment, net increased by 22.0% from US$845.9 million as of December 31, 2022 to US$1,031.9 million as of June 30, 2023, primarily attributable to our on-going buildout of the Hopewell facility construction.

Accounts payable

Accounts payable includes amounts due to third parties and totaled US$267.0 million and US$294.8 million as of June 30, 2023 and December 31, 2022, respectively.

The following table sets forth an aging analysis of accounts payable as of the dates indicated, which is based on invoice date:

	As of	
	June 30, 2023	December 31, 2022
	US$'000	US$'000
Within 3 months	**259,700**	290,284
3 to 6 months	**6,857**	2,570
6 months to 1 year	**270**	1,379
Over 1 year	**148**	548
Total	**266,975**	294,781

Accrued expenses and other payables

Accrued expenses and other payables consist of the following as of June 30, 2023 and December 31, 2022:

	As of	
	June 30, 2023	December 31, 2022
	US$'000	US$'000
Compensation related	**135,719**	184,775
External research and development activities related	**91,108**	139,168
Commercial activities	**65,506**	51,806
Individual income tax and other taxes	**38,486**	18,815
Sales rebates and returns related	**85,591**	41,817
Other	**38,540**	30,971
Total	**454,950**	467,352

Accrued expenses and other payables decreased by 2.7% from US$467.4 million as of December 31, 2022 to US$455.0 million as of June 30, 2023. The decrease was primarily due to the payment of compensation and accrued external research and development activities for the six months ended June 30, 2023, partially offset by the increase of commercial activities and sales rebates and returns.

Debt

Debt increased by 16.8% from US$538.1 million as of December 31, 2022 to US$628.5 million as of June 30, 2023. The increase was mainly due to the increase of new short-term bank loans during the six months ended June 30, 2023.

LIQUIDITY AND CAPITAL RESOURCES

The following table represents our cash, short-term investments, and debt balances as of June 30, 2023 and December 31, 2022:

	As of	
	June 30, 2023	December 31, 2022
	(US dollars in thousands)	
Cash, cash equivalents and restricted cash	**3,421,574**	3,875,037
Short-term investments	**105,693**	665,251
Total debt	**628,478**	538,117

With the exception of the periods in which we received upfront payments from out-licensing rights to tislelizumab to Novartis, and prior to that BMS, we have incurred net losses and negative cash flows from operations since inception, resulting from the funding of our research and development programs and selling, general and administrative expenses to support the commercialization of our products and our global operations. We recognized net losses of US$729.6 million for the six months ended June 30, 2023, and net losses of US$1.0 billion for the six months ended June 30, 2022. As of June 30, 2023, we had an accumulated deficit of US$7.8 billion.

To date, we have financed our operations principally through proceeds from public and private offerings of our securities and proceeds from our collaborations, together with product sales since September 2017. Based on our current operating plan, we expect that our existing cash, cash equivalents and short-term investments as of June 30, 2023 will enable us to fund our operating expenses and capital expenditure requirements for at least the next 12 months after the date that the financial statements included in this report are issued.

In January 2021, we entered into a collaboration and license agreement with Novartis, granting Novartis rights to develop, manufacture and commercialize tislelizumab in North America, Europe, and Japan. Under the agreement, we received an upfront cash payment of US$650 million from Novartis. In December 2021, we expanded our collaboration with Novartis by entering into an option, collaboration and license agreement with Novartis to develop, manufacture and commercialize our investigational TIGIT inhibitor ociperlimab in the Novartis Territory. In addition, we and Novartis entered into an agreement granting us rights to market, promote and detail five approved Novartis oncology products, in certain areas of China, referred to as the “broad markets”. Under the terms of the agreement, we received an upfront cash payment of US$300 million in January 2022. The ociperlimab option, collaboration and license agreement was terminated in July 2023.

The following table provides information regarding our cash flows for the six months ended June 30, 2023 and 2022:

	Six Months Ended	
	June 30, 2023	June 30, 2022
	(US dollars in thousands)	
Cash, cash equivalents and restricted cash at beginning of period	**3,875,037**	4,382,887
Net cash used in operating activities	**(857,665)**	(616,522)
Net cash provided by investing activities	**308,863**	869,103
Net cash provided by (used in) financing activities	**146,212**	(28,847)
Net effect of foreign exchange rate changes	**(50,873)**	(71,212)
Net (decrease) increase in cash, cash equivalents, and restricted cash	**(453,463)**	152,522
Cash, cash equivalents and restricted cash at end of period	**3,421,574**	4,535,409

Operating Activities

Cash flows from operating activities is net loss adjusted for certain non-cash items and changes in assets and liabilities.

Operating activities used US$857.7 million of cash in the six months ended June 30, 2023, principally from our net loss of US$729.6 million and an increase in our net operating assets and liabilities of US$329.4 million, partially offset by non-cash charges of US$201.3 million.

The increase in net operating assets and liabilities was primarily driven by increased working capital associated with our growth in product sales. The non-cash charges were primarily the result of share-based compensation expense, depreciation and amortization expense, offset by amortization of the research and development cost share liability. Net loss for the six months ended June 30, 2023 includes US$45.5 million of other losses due primarily to the strengthening of the U.S. dollar and the related revaluation of RMB-denominated deposits held by U.S. functional currency subsidiaries.

Operating activities used US$616.5 million of cash in the six months ended June 30, 2022, which resulted principally from our net loss of US$1.0 billion, partially offset by a decrease in our net operating assets and liabilities of US$220.6 million and by non-cash charges of US$163.8 million. Net loss for the six months ended June 30, 2022 includes US$117.7 million of other losses due primarily to the strengthening of the U.S. dollar and the related revaluation of RMB-denominated deposits held by U.S. functional currency subsidiaries.

The decrease in working capital was driven largely by decreases in accounts receivable (due to the receipt of the upfront from Novartis related to the ociperlimab collaboration), decreases in prepaid assets and other non-current assets, and an increase in taxes payable, partially offset by increases in inventories and decreases in accounts payable, accrued expenses, deferred revenue and other long-term liabilities. The non-cash charges were primarily driven by share-based compensation expense, depreciation and amortization expense, and unrealized loss on our Leap investment, offset by amortization of the research and development cost share liability and deferred income tax benefits.

Investing Activities

Cash flows from investing activities consist primarily of capital expenditures, investment purchases, sales, maturities, and disposals, and upfront payments related to our collaboration agreements.

Investing activities provided US$308.9 million of cash in the six months ended June 30, 2023, consisting of sales and maturities of investment securities of US$567.5 million, partially offset by capital expenditures of US$247.1 million, and US$11.6 million in purchases of investment securities.

Investing activities provided US$869.1 million of cash in the six months ended June 30, 2022, consisting of sales and maturities of investment securities of US$1,051.0 million, offset by US$11.5 million in purchases of investment securities, capital expenditures of US$95.4 million, and US$75.0 million of acquired in-process research and development.

Financing Activities

Cash flows from financing activities consist primarily of sale of ordinary shares, RMB Shares and ADSs through equity offerings, issuance and repayment of short-term and long-term debt, and proceeds from the sale of ordinary shares and ADSs through employee equity compensation plans.

Financing activities provided US$146.2 million of cash in the six months ended June 30, 2023, consisting primarily of US$15.8 million of net proceeds from long-term bank loans, US$161.8 million of proceeds from short-term bank loans and US$35.2 million from the exercise of employee share options and proceeds from the issuance of shares through our employee share purchase plan, which were partially offset by US$66.6 million in repayments of short-term bank loans.

Financing activities used US$28.8 million of cash in the six months ended June 30, 2022, consisting primarily of US$115.4 million repayment of short-term bank loans, which were partially offset by US$67.6 million of proceeds from short-term bank loans and US$19.0 million from the exercise of employee share options and proceeds from the issuance of shares through our employee share purchase plan.

Effects of Exchange Rates on Cash

We have substantial operations in the PRC, which generate a significant amount of RMB-denominated cash from product sales and require a significant amount of RMB-denominated cash to pay our obligations. We hold a significant amount of RMB-denominated deposits at our China subsidiaries. Since the reporting currency of the Company is the U.S. dollar, periods of volatility in exchange rates may have a significant impact on our consolidated cash balances as they are translated into U.S. dollars. The impact of foreign currency deposits being translated into the U.S. dollar negatively impacted ending cash by US$50.9 million in the six months ended June 30, 2023, compared to a negative impact of US$71.2 million in the prior-year period.

Future Liquidity and Material Cash Requirements

Until such time, if ever, as we can generate substantial product revenue sufficient to cover our costs and capital investments, we may be required to finance our cash needs through a combination of equity offerings, debt financings, collaboration agreements, strategic alliances, licensing arrangements, government grants, and other available sources. Under the rules of the SEC, we currently qualify as a "well-known seasoned issuer," which allows us to file shelf registration statements to register an unspecified amount of securities that are effective upon filing. In May 2020, we filed such a shelf registration statement with the SEC for the issuance of an unspecified amount of ordinary shares (including in the form of ADSs), preferred shares, various series of debt securities and/or warrants to purchase any of such securities, either individually or in units, from time to time at prices and on terms to be determined at the time of any such offering. This registration statement was effective upon filing and will remain in effect for up to three years from filing, prior to which time we may file another shelf registration statement that will be effective for up to three years from filing.

To the extent that we raise additional capital through the sale of equity or convertible debt securities, the ownership interest of our shareholders will be diluted, and the terms of these securities may include liquidation or other preferences that adversely affect your rights as a holder of ADSs, ordinary shares, or RMB Shares. Debt financing, if available, may involve agreements that include covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures, or declaring dividends, and may require the issuance of warrants, which could potentially dilute your ownership interest. If we raise additional funds through collaboration agreements, strategic alliances or licensing arrangements with third parties, we may have to relinquish valuable rights to our medicines or drug candidates, future revenue streams or research programs, or to grant licenses on terms that may not be favorable to us. If we are unable to raise additional funds through equity or debt financings, collaborations or other sources when needed, we may be required to delay, limit, reduce or terminate our product development or commercialization efforts or grant rights to develop and market products or drug candidates that we would otherwise prefer to develop and market ourselves.

Our material cash requirements in the short- and long-term consist of the following operational, capital, and manufacturing expenditures, a portion of which contain contractual or other obligations. We plan to fund our material cash requirements with our current financial resources together with our anticipated receipts of accounts receivable, product sales and royalty revenues, and reimbursements we expect to receive under our existing collaboration and license agreements.

CONTRACTUAL AND OTHER OBLIGATIONS

The following table summarizes our significant contractual obligations as of the payment due date by period as of June 30, 2023:

	Payments Due by Period		
	Total	Short Term	Long Term
	(US dollars in thousands)		
Contractual obligations			
Operating lease commitments	53,220	13,074	40,146
Purchase commitments	104,115	63,820	40,295
Debt obligations	628,478	421,052	207,426
Interest on debt	46,169	17,246	28,923
Co-development funding commitment	549,765	126,688	423,077
Funding commitment	10,557	2,625	7,932
Research and development commitment	17,990	5,959	12,031
Pension plan	7,986	2,627	5,359
Capital commitments	381,187	381,187	–
Total	1,799,467	1,034,278	765,189

Operating Lease Commitments

We lease office or manufacturing facilities in Beijing, Shanghai, Suzhou and Guangzhou in China; office facilities in California, Massachusetts, Maryland, and New Jersey in the United States; and office facilities in Basel, Switzerland under non-cancelable operating leases expiring on various dates. Payments under operating leases are expensed on a straight-line basis over the respective lease terms. The aggregate future minimum payments under these non-cancelable operating leases are summarized in the table above.

Purchase Commitments

As of June 30, 2023, purchase commitments amounted to US$104.1 million, of which US$40.3 million related to minimum purchase requirements for supply purchased from contract manufacturers and US$63.8 million related to binding purchase obligations of inventory from BMS and Amgen. We do not have any minimum purchase requirements for inventory from BMS or Amgen.

Debt Obligations and Interest

Total debt obligations coming due in the next twelve months is US$421.1 million. Total long-term debt obligations are US$207.4 million. See Note 13 in the Notes to the Financial Statements for further detail of our debt obligations.

Interest on bank loans is paid quarterly until the respective loans are fully settled. For the purpose of contractual obligations calculation, current interest rates on floating rate obligations were used for the remainder contractual life of the outstanding borrowings.

Co-Development Funding Commitment

Under the Amgen collaboration, we are responsible for co-funding global development costs for the licensed Amgen oncology pipeline assets up to a total cap of US$1.25 billion. We are funding our portion of the co-development costs by contributing cash and development services. As of June 30, 2023, our remaining co-development funding commitment was US$549.8 million.

Funding Commitment

Funding commitment represents our committed capital related to two equity method investments. As of June 30, 2023, our remaining capital commitment was US$10.6 million and is expected to be paid from time to time over the investment period.

Research and Development Commitment

We entered into a long-term research and development agreement in June 2021, which includes obligations to make fixed quarterly payments over the next four years. As of June 30, 2023, the total research and development commitment amounted to US$18.0 million.

Pension Plan

We maintain a defined benefit pension plan in Switzerland. Funding obligations under the defined benefit pension plan are equivalent to US$2.6 million per year based on annual funding contributions in effect as of June 30, 2023 to achieve fully funded status where the market value of plan assets equals the projected benefit obligations. Future funding requirements will be subject to change as a result of future changes in staffing and compensation levels, various actuarial assumptions and actual investment returns on plan assets.

Capital Commitments

We had capital commitments amounting to US$381.2 million for the acquisition of property, plant and equipment as of June 30, 2023, which were mainly for our manufacturing and clinical R&D campus in Hopewell, NJ, and additional capacity at the Guangzhou and Suzhou manufacturing facilities.

Other Business Agreements

We are making a significant investment in our future manufacturing and clinical R&D center in the United States, a 42-acre site that is being constructed in Hopewell, NJ. We purchased this site for US$75.2 million, announced its groundbreaking on April 29, 2022 and have US$314.7 million of construction in process related to the project. We expect continued significant capital expenditures as we build out the Hopewell facility over the next several years.

We also enter into agreements with contract research organizations to some extent to provide research and development services. These contracts are generally cancellable at any time by us with prior written notice.

We also enter into collaboration agreements with institutions and companies to license intellectual property. We may be obligated to make future development, regulatory and commercial milestone payments and royalty payments on future sales of specified products associated with these agreements. Payments under these agreements generally become due and payable upon achievement of such milestones or sales. These commitments are not recorded on our balance sheet because the achievement and timing of these milestones are not fixed and determinable. When the achievement of these milestones or sales have occurred, the corresponding amounts are recognized in our financial statements.

Legal Proceedings

In the ordinary course of business, the Company may be subject to legal proceedings, claims and litigation as the Company operates in an industry susceptible to patent legal claims. The Company accounts for estimated losses with respect to legal proceedings and claims when such losses are probable and estimable. Legal costs associated with these matters are expensed when incurred.

INTEREST AND CREDIT RISK

Financial instruments that are potentially subject to credit risk consist of cash, cash equivalents, restricted cash and short-term investments. The carrying amounts of cash, cash equivalents, restricted cash and short-term investments represent the maximum amount of loss due to credit risk. We had cash and cash equivalents of US$3.4 billion and US$3.9 billion, restricted cash of US$11.2 million and US$5.5 million, and short-term investments of US$0.1 billion and US$0.7 billion as of June 30, 2023 and December 31, 2022, respectively. Our cash and cash equivalent are deposited with various major reputable financial institutions located within or outside the PRC. The deposits placed with these financial institutions are not protected by statutory or commercial insurance. In the event of bankruptcy of one of these financial institutions, we may be unlikely to claim our deposits back in full. We believe that these financial institutions are of high credit quality, and we continually monitor the credit worthiness of these financial institutions. On June 30, 2023, our short-term investments consisted of U.S. treasury securities. We believe that the U.S. treasury securities are of high credit quality and continually monitor the credit worthiness of these institutions.

The primary objectives of our investment activities are to preserve principal, provide liquidity, and maximize income without significant increasing risk. Our primary exposure to market risk relates to fluctuations in the interest rates, which are affected by changes in the general level of PRC and U.S. interest rates. Given the short-term nature of our cash equivalents, we believe that a sudden change in market interest rates would not be expected to have a material impact on our financial condition and/or results of operation. We estimate that a hypothetical 100-basis point increase or decrease in market interest rates would result in a decrease of US$0.4 million or an increase of US$0.4 million, respectively, as of June 30, 2023.

We do not believe that our cash, cash equivalents and short-term investments have significant risk of default or illiquidity. While we believe our cash, cash equivalents, and short-term investments do not contain excessive risk, we cannot provide absolute assurance that in the future investments will not be subject to adverse changes in market value.

We had accounts receivable, net of US$299.3 million and US$173.2 million as of June 30, 2023 and December 31, 2022, respectively. Accounts receivable, net represent amounts arising from product sales and amounts due from our collaboration partners. We monitor economic conditions to identify facts or circumstances that may indicate receivables are at risk of collection. To date, we have not experienced any significant losses with respect to the collection of our accounts receivable.

FOREIGN CURRENCY EXCHANGE RATE RISK

We are exposed to foreign exchange risk arising from various currency exposures. Our reporting currency is the U.S. dollar, but a portion of our operating transactions and assets and liabilities are in other currencies, such as RMB, Euro, and Australian dollar. While we hold significant amounts of RMB, and are subject to foreign currency exchange risk upon revaluation or translation into our reporting currency, we expect to utilize our existing RMB cash deposits in the operation of our China business over the next several years, and as a result, have not used derivative financial instruments to hedge exposure to such risk.

RMB is not freely convertible into foreign currencies for capital account transactions. The value of RMB against the U.S. dollar and other currencies is affected by, among other things, changes in China's political and economic conditions and China's foreign exchange prices. Since 2005, the RMB has been permitted to fluctuate within a narrow and managed band against a basket of certain foreign currencies. The RMB compared to the U.S. dollar depreciated approximately 4.9% in the six months ended June 30, 2023 and depreciated approximately 8.2% in the year ended December 31, 2022, respectively. It is difficult to predict how market forces or PRC or U.S. government policy may impact the exchange rate between the RMB and the U.S. dollar in the future.

To the extent that we need to convert U.S. dollars into RMB for capital expenditures, working capital and other business purposes, appreciation of RMB against the U.S. dollar would have an adverse effect on the RMB amount we would receive from the conversion. Conversely, if we decide to convert RMB into U.S. dollars for the purpose of making payments for dividends on our ordinary shares, strategic acquisitions or investments or other business purposes, appreciation of the U.S. dollar against RMB would have a negative effect on the U.S. dollar amount available to us.

In addition, a significant depreciation of the RMB against the U.S. dollar may significantly reduce the U.S. dollar equivalent of our foreign cash balances and trade receivables. Further, volatility in exchange rate fluctuations may have a significant impact on the foreign currency translation adjustments recorded in other comprehensive income (loss). We have not used derivative financial instruments to hedge exposure to foreign exchange risk.

CURRENCY CONVERTIBILITY RISK

A significant portion of our expenses, assets, and liabilities are denominated in RMB. In 1994, the PRC government abolished the dual rate system and introduced a single rate of exchange as quoted daily by the People's Bank of China (the "PBOC"). However, the unification of exchange rates does not imply that the RMB may be readily convertible into U.S. dollars or other foreign currencies. All foreign exchange transactions continue to take place either through the PBOC or other banks authorized to buy and sell foreign currencies at the exchange rates quoted by the PBOC. Approvals of foreign currency payments by the PBOC or other institutions require submitting a payment application form together with suppliers' invoices, shipping documents and signed contracts.

Additionally, the value of RMB is subject to changes in the PRC central government policies and international economic and political developments affecting supply and demand in the PRC foreign exchange trading system market.

EFFECTS OF INFLATION

Inflation generally affects us by increasing our cost of labor and clinical trial costs. We do not believe that inflation has had a material effect on our results of operations during the six months ended June 30, 2023.

GEARING RATIO

The gearing ratio of the Company, which was calculated by dividing total interest-bearing loans by total shareholders' equity as of the end of the period, was 16.5% as of June 30, 2023, which increased from 12.3% as of December 31, 2022. The increase was primarily due to the decrease in total shareholders' equity. The decrease of total shareholders' equity was mainly resulted from the net loss incurred during the six months ended June 30, 2023.

MATERIAL INVESTMENTS HELD

We are making a significant investment in our future manufacturing and clinical R&D center in the United States, a 42-acre site that is being constructed in Hopewell, NJ. We purchased this site for US$75.2 million, announced its groundbreaking on April 29, 2022 and have US$314.7 million of construction in process related to the project. We expect continued significant capital expenditures as we build out the Hopewell facility over the next several years.

Except as disclosed above, we did not hold any other material investments as of June 30, 2023.

MANAGEMENT DISCUSSION AND ANALYSIS

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Except as disclosed in notes to the consolidated financial statements, we did not have other plans for material investments and capital assets as of June 30, 2023.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

During the six months ended June 30, 2023, we did not have any material acquisitions and disposals of subsidiaries and affiliated companies.

EMPLOYEE AND REMUNERATION POLICY

As of the date of this interim report, we had a global team of over 10,000 employees, which increased from approximately 9,000 employees as of December 31, 2022. Most of our employees are full-time.

The remuneration policy and package of our employees are periodically reviewed. In addition to cash compensation and benefits, we may issue share options, share appreciation rights, restricted shares, restricted share units, unrestricted shares, performance share awards, cash-based awards and dividend equivalent rights to our employees in accordance with our equity plans. We also provide external and internal training programs to our employees. The packages were set by benchmarking with companies in similar industries and companies with similar size. The total remuneration cost incurred by the Company for the six months ended June 30, 2023 was US$753.0 million (June 30, 2022: US$662.2 million).

PLEDGE OF ASSETS

As of June 30, 2023, we pledged restricted deposits of US$11.2 million (December 31, 2022: US$5.5 million) held in designated bank accounts for collateral for letters of credit and letters of guarantee, and land use right and certain property, plant, and equipment with a total carrying amount of US$183.3 million (December 31, 2022: US$123.9 million) were secured for long-term bank loans.

CONTINGENT LIABILITIES

As of June 30, 2023, we did not have any material contingent liabilities (December 31, 2022: nil).

INTERIM DIVIDEND

The Board does not recommend any interim dividend for the six months ended June 30, 2023 (For the six months ended June 30, 2022: nil).

RECENT ACCOUNTING PRONOUNCEMENTS

See Note 1 to our condensed consolidated financial statements included in this interim report for information regarding recent accounting pronouncements.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY OF ITS ASSOCIATED CORPORATIONS

As of June 30, 2023, the interests and short positions of the Directors and chief executive of the Company in the ordinary shares ("Shares"), underlying Shares and debentures of the Company or its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance ("SFO"), which were required (a) to be notified to the Company and the HKEX pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) to be recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO; or (c) as otherwise notified to the Company and the HKEX pursuant to the Model Code were as follows:

Name of Director	Nature of interest	Number of Shares	Approximate percentage of holding[1]
John V. Oyler	Beneficial owner	26,821,201[2]	1.96%
	Settlor of a trust/Beneficiary of a trust	9,545,000[3]	0.70%
	Settlor of a trust/Interest of a minor child	102,188[4]	0.01%
	Settlor of a trust/Beneficiary of a trust	7,727,927[5]	0.56%
	Settlor of a trust/Beneficiary of a trust	28,984,115[6]	2.11%
	Settlor of a trust	510,941[7]	0.04%
	Interest of a minor child	481,533[8]	0.04%
	Other	1,456,052[9]	0.11%
Xiaodong Wang	Beneficial owner	15,199,293[10]	1.11%
	Interest of a minor child	172,372[11]	0.01%
	Interest in controlled corporation	4,058,998[12]	0.30%
	Other	1,127,542[13]	0.08%
	Interest of spouse	50[14]	0.000004%
Margaret Han Dugan	Beneficial owner	113,815[15]	0.01%
Donald W. Glazer	Beneficial owner	3,190,679[16]	0.23%
Michael Goller	Person having a security interest in shares	453,232[17]	0.03%
Anthony C. Hooper	Beneficial owner	183,885[18]	0.01%
Ranjeev Krishana	Person having a security interest in shares	453,232[19]	0.03%
Thomas Malley	Beneficial owner	1,365,980[20]	0.10%
Alessandro Riva	Beneficial owner	113,815[21]	0.01%
Corazon (Corsee) D. Sanders	Beneficial owner	136,500[22]	0.01%
Qingqing Yi	Beneficial owner	436,150[23]	0.03%

Notes:

(1) The calculation is based on the total number of 1,371,420,190 Shares in issue as of June 30, 2023, which excluded 4,831,146 ordinary shares issued to the Company's depositary in exchange for a corresponding amount of ADSs for the purposes of ensuring that it has ADSs readily available to satisfy the vesting of restricted share units and the exercise of share options from time to time.

(2) Includes (1) 1,292,260 Shares held by Mr. Oyler, (2) Mr. Oyler's entitlement to receive up to 24,849,647 Shares pursuant to the exercise of options granted to him, subject to the conditions (including vesting conditions) of those options, and (3) Mr. Oyler's entitlement to restricted share units equivalent to 679,294 Shares, subject to vesting conditions.

(3) These Shares are held in a Roth IRA PENSCO trust account for the benefit of Mr. Oyler.

(4) These Shares are held by The John Oyler Legacy Trust for the benefit of Mr. Oyler's minor child, of which Mr. Oyler's father is a trustee and Mr. Oyler is the settlor.

(5) These Shares are held by a grantor retained annuity trust for the benefit of Mr. Oyler, of which Mr. Oyler's father is a trustee and Mr. Oyler is the settlor.

(6) These Shares are held by Oyler Investment LLC, the interest of which is 99% owned by a grantor retained annuity trust for the benefit of Mr. Oyler, of which Mr. Oyler's father is a trustee and Mr. Oyler is the settlor.

(7) These Shares are held by The Oyler Family Legacy Trust for the benefit of Mr. Oyler's family members, of which Mr. Oyler 's father is a trustee and Mr. Oyler is the settlor.

(8) These Shares are held by a trust, the beneficiaries of which include Mr. Oyler's minor child and others, in which Mr. Oyler is deemed to be interested for the purpose of the SFO.

(9) These Shares are held by a private foundation of which Mr. Oyler and the other(s) serve as directors, in which Mr. Oyler is deemed to be interested for the purpose of the SFO.

(10) Includes (1) 5,362,972 Shares held by Dr. Wang, (2) Dr. Wang's entitlement to receive up to 9,667,965 Shares pursuant to the exercise of options granted to him, subject to the conditions (including vesting conditions) of those options, and (3) Dr. Wang's entitlement to restricted share units equivalent to 168,356 Shares, subject to vesting conditions.

(11) These Shares are held in a Uniform Transfers to Minors Act account for Dr. Wang's minor child, in which Dr. Wang is deemed to be interested for the purposes of the SFO.

(12) These Shares are held by Wang Investment LLC, the interest of which is 99% owned by two grantor retained annuity trusts, of which Dr. Wang's wife is a trustee and Dr. Wang is the Settlor.

(13) These Shares are held by a family trust which Dr. Wang's family members are beneficiaries, in which Dr. Wang is deemed to be interested for the purpose of the SFO.

(14) These Shares are held by Dr. Wang's spouse, in which Dr. Wang is deemed to be interested for the purposes of the SFO.

(15) Includes (1) 16,692 Shares held by Dr. Dugan; (2) Dr. Dugan's entitlement to receive up to 84,201 Shares pursuant to the exercise of options granted to her, subject to the conditions (including vesting conditions) of these options; and (3) Dr. Dugan's entitlement to restricted share units equivalent to 12,922 Shares, subject to vesting conditions.

(16) Includes (1) 2,746,729 Shares held by Mr. Glazer; (2) Mr. Glazer's entitlement to receive up to 406,536 Shares pursuant to the exercise of options granted to him, subject to the conditions (including vesting conditions) of these options; and (3) Mr. Glazer's entitlement to restricted share units equivalent to 37,414 Shares, subject to vesting conditions.

(17) Includes (1) 33,774 Shares held by Mr. Goller; (2) Mr. Goller's entitlement to receive up to 406,536 Shares pursuant to the exercise of options granted to him, subject to the conditions (including vesting conditions) of these options; and (3) Mr. Goller's entitlement to restricted share units equivalent to 12,922 Shares, subject to vesting conditions.

(18) Includes (1) Mr. Hooper's entitlement to receive up to 146,471 Shares pursuant to the exercise of options granted to him, subject to the conditions (including vesting conditions) of those options.; and (2) Mr. Hooper's entitlement to restricted share units equivalent to 37,414 Shares, subject to vesting conditions.

(19) Includes (1) 33,774 Shares held by Mr. Krishana; (2) Mr. Krishana's entitlement to receive up to 406,536 Shares pursuant to the exercise of options granted to him, subject to the conditions (including vesting conditions) of these options; and (3) Mr. Krishana's entitlement to restricted share units equivalent to 12,922 Shares, subject to vesting conditions.

(20) Includes (1) 423,774 Shares held by Mr. Malley; (2) Mr. Malley's entitlement to receive up to 929,284 Shares pursuant to the exercise of options granted to him, subject to the conditions (including vesting conditions) of those options; and (3) Mr. Malley's entitlement to restricted share units equivalent to 12,922 Shares, subject to vesting conditions.

(21) Includes (1) 16,692 Shares held by Dr. Riva; (2) Dr. Riva's entitlement to receive up to 84,201 Shares pursuant to the exercise of options granted to him, subject to the conditions (including vesting conditions) of these options; and (3) Dr. Riva's entitlement to restricted share units equivalent to 12,922 Shares, subject to vesting conditions.

(22) Includes (1) 16,978 Shares held by Dr. Sanders; (2) Dr. Sanders' entitlement to receive up to 106,600 Shares pursuant to the exercise of options granted to her, subject to the conditions (including vesting conditions) of those options; and (3) Dr. Sanders' entitlement to restricted share units equivalent to 12,922 Shares, subject to vesting conditions.

(23) Includes (1) 16,692 Shares held by Mr. Yi; (2) Mr. Yi's entitlement to receive up to 406,536 Shares pursuant to the exercise of options granted to him, subject to the conditions (including vesting conditions) of these options; and (3) Mr. Yi's entitlement to restricted share units equivalent to 12,922 Shares, subject to vesting conditions.

Except as disclosed above, as of June 30, 2023, so far as was known to the Directors and chief executive of the Company, none of the Directors or chief executive of the Company had any interests or short positions in the Shares, underlying Shares or debentures of the Company or its associated corporations which were required to be (a) notified to the Company and the HKEX pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to be interested under such provisions of the SFO); or (b) recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO; or (c) notified to the Company and the HKEX pursuant to the Model Code.

OTHER INFORMATION

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As of June 30, 2023, so far as was known to the Directors and chief executive of the Company, the following persons (other than the Directors and chief executive of the Company) had interests and/or short positions in the Shares or underlying Shares which would be required to be disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO or recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

Name of Shareholder	Capacity/Nature of interest	Number of Shares/ underlying Shares	Approximate percentage of holding[1]
Amgen Inc.	Beneficial owner	246,269,426	17.96%
Julian C. Baker[2]	Beneficial owner/Interest in controlled corporations/Person having a security interest in shares	152,875,363	11.15%
Felix J. Baker[2]	Beneficial owner/Interest in controlled corporations/Person having a security interest in shares	152,875,363	11.15%
Baker Bros. Advisors (GP) LLC[2]	Investment manager/Other	152,419,703	11.11%
Baker Bros. Advisors LP[2]	Investment manager/Other	152,419,703	11.11%
Baker Brothers Life Sciences Capital, L.P.[2]	Interest in controlled corporations/Other	139,823,423	10.20%
HHLR Advisors, Ltd. [3]	Investment manager	133,587,655	9.74%
HHLR Fund, L.P.[3]	Beneficial owner	129,433,059	9.44%
The Capital Group Companies, Inc. [4]	Interest in controlled corporations	111,444,529	8.13%
JPMorgan Chase & Co.[5]	Interest in controlled corporations	13,309,804	0.97%
		11,447,144(S)	0.83%(S)
	Investment manager	554,846	0.04%
	Person having a security interest in shares	2,328,774	0.17%
	Trustee	6,383	0.0005%
	Approved lending agent	85,312,912	6.22%

Notes:

Unless otherwise specified, the above Shares are long position. (S) denotes short position.

(1) The calculation is based on the total number of 1,371,420,190 Shares in issue as of June 30, 2023, which excluded 4,831,146 ordinary shares issued to the Company's depositary in exchange for a corresponding amount of ADSs for the purposes of ensuring that it has ADSs readily available to satisfy the vesting of restricted share units and the exercise of share options from time to time.

(2) Julian C. Baker and Felix J. Baker are the managing members of Baker Bros. Advisors (GP) LLC. Baker Bros. Advisors (GP) LLC is the general partner of Baker Bros. Advisors LP ("BBA"). BBA is the manager for securities held by 667, L.P. and Baker Brothers Life Sciences, L.P.. Also, Baker Brothers Life Sciences Capital, L.P. is the general partner of Baker Brothers Life Sciences, L.P. (the "Funds"). Unlisted derivatives include stock options and restricted stock received as compensation by two BBA employees (Michael Goller and Ranjeev Krishana) for their service on the Board and are controlled by BBA, with the Funds entitled to the pecuniary interest.

According to the corporate substantial shareholder notice for the date of relevant event of December 15, 2021 submitted by Baker Brothers Life Sciences Capital, L.P. to HKEX on December 15, 2021,140,543,649 Shares held by Baker Brothers Life Sciences, L.P. directly. For the purposes of the SFO, Julian C. Baker, Felix J. Baker, Baker Bros. Advisors (GP) LLC and BBA are deemed to be interested in the 11,152,058 Shares held by 667, L.P. and the 140,543,649 Shares held by Baker Brothers Life Sciences, L.P., and 723,996 Shares which unlisted derivatives are controlled by BBA, with the Funds entitled to the pecuniary interest. In addition, for the purposes of the SFO, Baker Brothers Life Sciences Capital, L.P. is deemed to be interested in the 140,543,649 Shares held by Baker Brothers Life Sciences, L.P., and 723,996 Shares which unlisted derivatives are controlled by BBA, with the Funds entitled to the pecuniary interest.

Outside the Funds, each of Julian C. Baker and Felix J. Baker further interests in (in the form of ADSs) 270,868 Shares personally and 151,004 Shares through FBB3 LLC, a controlled corporation.

(3) (i) 133,587,655 Shares are held by HHLR Fund, L.P. and YHG Investment, L.P.; and (ii) 13,447,603 Shares are held by Hillhouse BGN Holdings Limited. HHLR Advisors, Ltd. acts as the sole general partner of YHG Investment, L.P. and the sole management company of HHLR Fund, L.P.. Hillhouse Capital Management, Ltd. is the sole management company of Hillhouse Fund II, L.P., which owns Hillhouse BGN Holdings Limited. Under the SFO, HHLR Advisors, Ltd. is deemed to be interested in the 133,587,655 Shares held by HHLR Fund, L.P. and YHG Investment, L.P. and Hillhouse Capital Management, Ltd. is deemed to be interested in the 13,447,603 Shares held by Hillhouse BGN Holdings Limited. Under the SFO, Hillhouse Fund II, L.P. is deemed to be interested in the 13,447,603 Shares held by Hillhouse BGN Holdings Limited.

(4) (i) 13,113,091 Shares are held by Capital International, Inc.; (ii) 891,288 Shares held by Capital International Limited; (iii) 1,865,765 Shares are held by Capital International Sarl; (iv) 92,083,213 Shares are held by Capital Research and Management Company; (v) 238,182 Shares are held by Capital Group Investment Management Private Limited; and (vi) 3,252,990 Shares are held by Capital Group Private Client Services, Inc..

Capital Group International, Inc. is wholly owned by Capital Research and Management Company. Capital International, Inc., Capital International Limited, Capital International Sarl, Capital Group Investment Management Private Limited and Capital Group Private Client Services, Inc. are wholly owned by Capital Group International, Inc. Capital Bank and Trust Company is wholly owned by The Capital Group Companies, Inc. For the purposes of the SFO, Capital Research and Management Company and Capital Group International, Inc. are deemed to be interested in the 19,361,316 Shares held by Capital International, Inc., Capital International Limited, Capital International Sarl, Capital Group Investment Management Private Limited and Capital Group Private Client Services, Inc..

Capital Research and Management Company is wholly owned by The Capital Group Companies Inc. For the purposes of the SFO, The Capital Group Companies Inc. is deemed to be interested in the 111,444,529 Shares held by Capital Research and Management Company directly and indirectly.

(5) According to the shareholding disclosures notice regarding the relevant event dated June 28, 2023 submitted by JPMorgan Chase & Co. to HKEX, an aggregated 101,512,719 shares (long position), 11,447,144 shares (short position) and 85,312,912 shares (lending pool) of the Company are held by JPMorgan Chase & Co. indirectly through its certain subsidiaries. Among them, 1,600,307 shares (long position) and 117,964 (short position) are cash settled unlisted derivatives.

Except as disclosed above, as of June 30, 2023, the Directors and chief executive of the Company have not been notified by any person (other than the Directors or chief executive of the Company) who had interests or short positions in the Shares or underlying Shares which would be required to be disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO, or recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

OTHER INFORMATION

SHARE SCHEMES

The Company currently has four existing share schemes, namely the 2011 Plan, the 2016 Plan, the 2018 ESPP and the 2018 Inducement Plan. Upon the effectiveness of Amendment No. 2 to the 2016 Plan, on June 22, 2022, the 2018 Inducement Plan was terminated to the effect that no new equity awards shall be granted under the plan.

From January 1, 2023, the Company will rely on the transitional arrangements provided for the existing share schemes and will comply with the new Chapter 17 accordingly (effective from January 1, 2023).

38,849,681 new Shares representing approximately 2.83% of the weighted average number of Shares for the Reporting Period, may be issued in respect of options and awards granted during the Reporting Period to eligible participants pursuant to all of the share schemes. For avoidance of doubt, the aforementioned figures have not taken into account the Shares to be purchased under the 2018 ESPP pursuant to the offering period from March 1, 2023 to August 31, 2023, as the relevant number of Shares cannot be determined until the end of the offering period (i.e. August 31, 2023). Further details regarding each share scheme and the movements during the Reporting Period under each share scheme is set out below.

1. 2011 Option Plan

The 2011 Plan was approved by the Board on April 15, 2011 and most recently amended on April 17, 2015 and the Board determined not to grant any further options under the 2011 Plan after February 2, 2016 when the 2016 Plan became effective.

Purpose

The purpose of the 2011 Plan is to enable persons providing (or expected to provide) services to the Company to acquire ordinary shares in the Company. Anyone having or expected to have a service relationship with the Company (including prospective employees or others, conditional upon their subsequent employment or service relationship) shall be eligible to receive Options under this Plan.

Eligible Participants

The Board or committee has full power to select the individuals to whom awards will be granted.

Maximum Number of Shares Available for Issue

The overall limit on the number of underlying Shares pursuant to the 2011 Plan is 43,560,432 Shares. Given that no further options have been granted after February 2, 2016 when the 2016 Plan became effective, the outstanding number of options would be equivalent to the number of Shares available for issue under the 2011 Plan. As at January 1, 2023, 2,643,042 Shares were available for issue under the 2011 Plan. 960,921 new Shares were issued during the period between January 1, 2023 and June 30, 2023 pursuant to the 2011 Plan. It follows that, as at June 30, 2023 and as at September 15, 2023, 1,681,957 new Shares and 1,445,708 new Shares (representing approximately 0.1% of the issued share capital of the Company as at September 15, 2023) were available for issue under the 2011 Plan, respectively.

Maximum Entitlement of Each Participant

Under the 2011 Plan, there is no specific limit on the maximum number of options which may be granted to a single eligible participant under the 2011 Plan.

Exercise Period

The Board or committee may fix the term of each option, up to a maximum of 10 years from the grant date, and determine at what time or times each option may be exercised when granting an option.

Vesting Period

The Board or committee may determine the vesting period of each option.

Exercise Price

The option exercise price of each option granted under the 2011 Plan is determined by the Board or board committee and may not be less than the fair market value of an ordinary share on the date of grant or the par value of the shares issuable thereunder. The exercise price of all of the options granted under the 2011 Plan is between US$0.01 and US$1.85 per Share.

Remaining Life of the 2011 Plan

The Board may, at any time, amend or discontinue the 2011 Plan and the Board determined not to grant any further options under the 2011 Plan after February 2, 2016 when the 2016 Plan became effective.

Further details of the 2011 Plan are set out in the prospectus of the Company dated July 30, 2018 (the "Prospectus").

OTHER INFORMATION

Outstanding Options under the 2011 Plan

As of June 30, 2023, the Company had conditionally granted options to 240 participants under the 2011 Plan. All of the options under the 2011 Plan were granted between May 20, 2011 and January 31, 2016 (both days inclusive). Details of the movements of the options granted under the 2011 Plan from January 1, 2023 to June 30, 2023 are as follows:

					Number of options					
Name of grantee	Role	Date of grant	Exercise period	Exercise price	Outstanding as at January 1, 2023	Granted during the Reporting Period	Exercised during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Outstanding as at June 30, 2023
	Directors of the Company									
Xiaodong Wang	Non-executive Director	April 3, 2013[1]	10 years from the date of grant	US$0.01	879,267	–	879,255[4]		12	–
		June 29, 2015[1]	10 years from the date of grant	US$0.50	500,000	–	–	–		500,000
Thomas Malley	Independent Non-executive Director	January 25, 2016[2]	10 years from the date of grant	US$1.85	552,752	–	–	–		552,752
	Senior Management of the Company									
Lai Wang	Global Head of R&D	April 3, 2013[3]	10 years from the date of grant	US$0.01	12	–	–	–	12	–
		June 29, 2015[3]	10 years from the date of grant	US$0.50	11	–	–	–		11
	Other grantees									
In aggregate	Employees	Between May 20, 2011 and January 31, 2016[3]	10 years from the date of grant	Between US$0.01 to US$1.85	663,694	–	81,666[5]	–	140	581,888
In aggregate	Service providers	Between May 20, 2011 and January 31, 2016[3]	10 years from the date of grant	Between US$0.01 to US$1.85	47,306	–	–	–	–	47,306
Total					2,643,042	–	960,921	–	164	1,681,957

Notes:

(1) 20% of the options become exercisable on the first anniversary of the grant date. The remaining 80% become exercisable in 48 equal monthly installments, each of which shall become exercisable on the last day of each month following the vest of the initial 20%.

(2) One-third of the options become exercisable on each anniversary of the grant date.

(3) 20%/25% of the options become exercisable on the first anniversary of the grant date. The remaining 80%/75% become exercisable in 48/36 equal monthly installments, each of which shall become exercisable on the last day of each month following the vest of the initial 20%/25%. Certain options may be subject to accelerated vesting upon change in control and/or termination.

(4) The weighted-average closing price as quoted on the NASDAQ, divided by 13, on the trading day immediately prior to the date which the options were exercised was US$17.81.

(5) The weighted-average closing price as quoted on the NASDAQ, divided by 13, on the trading day immediately prior to the date which the options were exercised was ranged from US$16.01 to US$20.25. The exercise price of the exercised options was ranged from US$0.01 to US$1.85.

2. Second Amended and Restated 2016 Share Option and Incentive Plan

The 2016 Plan was approved by our Board on November 7, 2018 and by our shareholders on December 7, 2018 to amend and restate the 2016 Share Option and Incentive Plan originally adopted by the Company on January 14, 2016.

In order to continue to provide incentive opportunities under the 2016 Plan, an amendment to the 2016 Plan (the "Amendment No. 1") to increase the number of authorized Shares available for issuance under the 2016 Plan by 57,200,000 Shares, and to extend the term of the 2016 Plan through 2030, was approved by our Board on April 13, 2020 and by our shareholders on June 17, 2020. Additionally, an amendment to the 2016 Plan (the "Amendment No. 2", and the 2016 Plan as amended by the Amendment No. 1 and Amendment No. 2, the "Amended 2016 Plan") to increase the number of authorized shares available for issuance under the 2016 Plan by 66,300,000 ordinary shares, was approved by our Board on April 17, 2022 and by our shareholders on June 22, 2022.

Further details of the 2016 Plan are set out in Note 17 to the consolidated financial statements.

Purpose

The Amended 2016 Plan provides the Company with the flexibility to use various equity-based incentive and other awards as compensation tools to attract, retain and motivate our (and our subsidiaries') workforce. These tools include share options, share appreciation rights, restricted shares, restricted share units, unrestricted shares, performance share awards, cash-based awards and dividend equivalent rights.

OTHER INFORMATION

Eligible Participants

Full-time and part-time officers, employees, non-employee Directors and other key persons (including consultants) as selected from time to time by the Compensation Committee are eligible to participate in the Amended 2016 Plan.

Maximum Number of Shares Available for Grant

The maximum number of Shares reserved and available for issuance under the Amended 2016 Plan and our other equity plans may not exceed 10% of the Shares issued and outstanding as of June 22, 2022 and the aggregate number of Shares that may be issued upon exercise of all outstanding options granted and yet to be exercised under the Amended 2016 Plan and outstanding options granted and yet to be exercised under any other plan of the Company at any time may not exceed 30% of the Shares in issue from time to time.

As at January 1, 2023, 75,034,504 Shares were available for grant under the 2016 Plan. During the period from January 1, 2023 to June 30, 2023, awards representing 38,849,681 underlying Shares were granted to eligible participants pursuant to the 2016 Plan. It follows that, as at June 30, 2023 and September 15, 2023, 38,873,106 and 38,739,947 Shares were available for grant under the 2016 Plan, respectively.

Maximum Number of Shares Available for Issue

As at January 1, 2023, 189,114,821 new Shares were available for issue under the 2016 Plan. During the period from January 1, 2023 to June 30, 2023, 18,098,041 new Shares were issued pursuant to the 2016 Plan. It follows that, as at June 30, 2023 and September 15, 2023, 171,016,949 new Shares and 168,319,449 new Shares (representing approximately 12.21% of the issued share capital of the Company as at September 15, 2023) were available for issue under the 2016 Plan, respectively.

Maximum Entitlement of Each Grantee

Unless approved by our shareholders in a general meeting, the total number of Shares issued and to be issued upon the exercise of share options granted and to be granted under the 2016 Plan and any other equity plans of the Company to a grantee within any 12-month period shall not exceed 1% of the Shares in issue at the date of any grant.

Exercise and Vesting Period

Our Compensation Committee may determine at the time of grant any minimum period(s) for which a share option must be held and/or any minimum performance target(s) that must be achieved, before the share option can be exercised in whole or in part, and may include at the discretion of our Compensation Committee such other terms either on a case by case basis or generally.

The term of each share option will be fixed by our Compensation Committee and may not exceed 10 years from the date of grant. Any share option granted but not exercised by the end of its option term will automatically lapse and be cancelled. Our Compensation Committee will determine at what time or times each option may be exercised.

In respect of RSUs, our Compensation Committee may determine the conditions and restrictions of grant, which may include the achievement of certain performance goals and/or continued employment or service with us through a specified vesting period.

Exercise Price

The exercise price of each share option will be determined by our Compensation Committee but may not be less than the higher of: (i) 1/13th of the closing price of one ADS on the NASDAQ on the date of grant; and (ii) 1/13th of the average closing price of one ADS on the NASDAQ for the five business days immediately preceding the date of grant.

Consideration

No consideration is required to be paid by the grantees for the grant of options and RSUs under the 2016 Plan.

Expiration of the 2016 Plan

The 2016 Plan will expire on April 13, 2030. The remaining life of the 2016 Plan is approximately 7 years.

Movements of the Options under the 2016 Plan

As of June 30, 2023, the Company has conditionally granted options to 1,119 participants under the Amended 2016 Plan. All of the options under the Amended 2016 Plan were granted between February 8, 2016 and June 30, 2023 (both days inclusive). The exercise price of all the options granted under the 2016 Plan is between US$0.5 and US$28.81 per Share.

As of January 1, 2023, 58,683,144 Shares were outstanding pursuant to options granted under the 2016 Plan, and as of June 30, 2023, 64,070,175 Shares were outstanding under the 2016 Plan. Details of the movements of the options granted during the Reporting Period were as follows:

Name of grantee	Role	Date of grant	Exercise period	Price on day prior to grant[1]	Price on day prior to exercise date[2]	Exercise (Grant) price	Number of options: Outstanding as at January 1, 2023	Granted during the Reporting Period	Exercised during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Outstanding as at June 30, 2023
	Directors of the Company											
John V. Oyler	Executive Director, Chairman and Chief Executive Officer	November 16, 2016[3]	10 years from the date of grant	US$2.79	N/A	US$2.84	2,047,500	–	–	–	–	2,047,500
		September 27, 2017[3]	10 years from the date of grant	US$6.73	N/A	US$7.70	935,000	–	–	–	–	935,000
		April 30, 2018[3]	10 years from the date of grant	US$13.37	N/A	US$13.04	996,810	–	–	–	–	996,810
		June 26, 2018[3]	10 years from the date of grant	US$12.70	N/A	US$12.34	1,310,088	–	–	–	–	1,310,088
		June 5, 2019[3]	10 years from the date of grant	US$9.25	N/A	US$9.23	2,193,282	–	–	–	–	2,193,282
		June 17, 2020[3]	10 years from the date of grant	US$13.33	N/A	US$13.42	1,821,976	–	–	–	–	1,821,976
		June 16, 2021[3]	10 years from the date of grant	US$25.54	N/A	US$26.53	906,906		–	–	–	906,906
		June 22, 2022[3]	10 years from the date of grant	US$11.74	N/A	US$11.98	1,887,678	–	–	–	–	1,887,678
		June 15, 2023[3]	10 years from the date of grant	US$16.01	N/A	US$16.41	–	1,349,907	–	–	–	1,349,907
Xiaodong Wang	Non-executive Director	November 16, 2016[3]	10 years from the date of grant	US$2.79	N/A	US$2.84	1,613,430	–	–	–	–	1,613,430
		September 27, 2017[3]	10 years from the date of grant	US$6.73	N/A	US$7.70	750,000	–	–	–	–	750,000
		June 26, 2018[3]	10 years from the date of grant	US$12.70	N/A	US$12.34	655,044	–	–	–	–	655,044
		June 5, 2019[3]	10 years from the date of grant	US$9.25	N/A	US$9.23	747,708	–	–	–	–	747,708
		June 17, 2020[3]	10 years from the date of grant	US$13.33	N/A	US$13.42	560,599	–	–	–	–	560,599
		June 16, 2021[3]	10 years from the date of grant	US$25.54	N/A	US$26.53	241,839	–	–	–	–	241,839
		June 22, 2022[3]	10 years from the date of grant	US$11.74	N/A	US$11.98	471,913	–	–	–	–	471,913
		June 15, 2023[3]	10 years from the date of grant	US$16.01	N/A	US$16.41	–	327,249	–	–	–	327,249

							Number of options					
Name of grantee	Role	Date of grant	Exercise period	Price on day prior to grant[1]	Price on day prior to exercise date[2]	Exercise (Grant) price	Outstanding as at January 1, 2023	Granted during the Reporting Period	Exercised during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Outstanding as at June 30, 2023
Anthony C. Hooper*	Independent Non-executive Director	March 3, 2020[5]	10 years from the date of grant	US$12.62	N/A	US$12.22	21,970	–	–	–	–	21,970
		June 17, 2020[5]	10 years from the date of grant	US$13.33	N/A	US$13.42	45,383	–	–	–	–	45,383
		June 16, 2021[5]	10 years from the date of grant	US$25.54	N/A	US$26.53	17,498	–	–	–	–	17,498
		June 22, 2022[5]	10 years from the date of grant	US$11.74	N/A	US$11.98	34,645	–	–	–	–	34,645
		June 15, 2023[5]	10 years from the date of grant	US$16.01	N/A	US$16.41		26,975	–	–	–	26,975
Margaret Han Dugan	Independent Non-executive Director	February 28, 2022[5]	10 years from the date of grant	US$16.47	N/A	US$16.22	22,581	–	–	–	–	22,581
		June 22, 2022[5]	10 years from the date of grant	US$11.74	N/A	US$11.98	34,645	–	–	–	–	34,645
		June 15, 2023[5]	10 years from the date of grant	US$16.01	N/A	US$16.41	–	26,975	–	–	–	26,975
Donald W. Glazer	Independent Non-executive Director	April 19, 2017[4]	10 years from the date of grant	US$2.84	N/A	US$2.83	199,992	–	–	–	–	199,992
		June 6, 2018[5]	10 years from the date of grant	US$15.73	N/A	US$16.15	17,442	–	–	–	–	17,442
		June 5, 2019[5]	10 years from the date of grant	US$9.25	N/A	US$9.23	64,610	–	–	–	–	64,610
		June 17, 2020[5]	10 years from the date of grant	US$13.33	N/A	US$13.42	45,383	–	–	–	–	45,383
		June 16, 2021[5]	10 years from the date of grant	US$25.54	N/A	US$25.63	17,498	–	–	–	–	17,498
		June 22, 2022[5]	10 years from the date of grant	US$11.74	N/A	US$11.98	34,645	–	–	–	–	34,645
		June 15, 2023[5]	10 years from the date of grant	US$16.01	N/A	US$16.41	–	26,975	–	–	–	26,975

							Number of options					
Name of grantee	Role	Date of grant	Exercise period	Price on day prior to grant[1]	Price on day prior to exercise date[2]	Exercise (Grant) price	Outstanding as at January 1, 2023	Granted during the Reporting Period	Exercised during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Outstanding as at June 30, 2023
Michael Goller	Independent Non-executive Director	April 19, 2017[4]	10 years from the date of grant	US$2.84	N/A	US$2.83	199,992	–	–	–	–	199,992
		June 6, 2018[5]	10 years from the date of grant	US$15.73	N/A	US$16.15	17,442	–	–	–	–	17,442
		June 5, 2019[5]	10 years from the date of grant	US$9.25	N/A	US$9.23	64,610	–	–	–	–	64,610
		June 17, 2020[5]	10 years from the date of grant	US$13.33	N/A	US$13.42	45,383	–	–	–	–	45,383
		June 16, 2021[5]	10 years from the date of grant	US$25.54	N/A	US$25.63	17,498	–	–	–	–	17,498
		June 22, 2022[5]	10 years from the date of grant	US$11.74	N/A	US$11.98	34,645	–	–	–	–	34,645
		June 15, 2023[5]	10 years from the date of grant	US$16.01	N/A	US$16.41	–	26,975	–	–	–	26,975
Ranjeev Krishana	Independent Non-executive Director	April 19, 2017[4]	10 years from the date of grant	US$2.84	N/A	US$2.83	199,992	–	–	–	–	199,992
		June 6, 2018[5]	10 years from the date of grant	US$15.73	N/A	US$16.15	17,442	–	–	–	–	17,442
		June 5, 2019[5]	10 years from the date of grant	US$9.25	N/A	US$9.23	64,610	–	–	–	–	64,610
		June 17, 2020[5]	10 years from the date of grant	US$13.33	N/A	US$13.42	45,383	–	–	–	–	45,383
		June 16, 2021[5]	10 years from the date of grant	US$25.54	N/A	US$25.63	17,498	–	–	–	–	17,498
		June 22, 2022[5]	10 years from the date of grant	US$11.74	N/A	US$11.98	34,645	–	–	–	–	34,645
		June 15, 2023[5]	10 years from the date of grant	US$16.01	N/A	US$16.41	–	26,975	–	–	–	26,975

							Number of options					
Name of grantee	Role	Date of grant	Exercise period	Price on day prior to grant[1]	Price on day prior to exercise date[2]	Exercise (Grant) price	Outstanding as at January 1, 2023	Granted during the Reporting Period	Exercised during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Outstanding as at June 30, 2023
Thomas Malley	Independent Non-executive Director	June 2, 2017[5]	10 years from the date of grant	US$2.94	N/A	US$3.15	169,988	–	–	–	–	169,988
		June 6, 2018[5]	10 years from the date of grant	US$15.73	N/A	US$16.15	17,442	–	–	–	–	17,442
		June 5, 2019[5]	10 years from the date of grant	US$9.25	N/A	US$9.23	64,610	–	–	–	–	64,610
		June 17, 2020[5]	10 years from the date of grant	US$13.33	N/A	US$13.42	45,383	–	–	–	–	45,383
		June 16, 2021[5]	10 years from the date of grant	US$25.54	N/A	US$25.63	17,498	–	–	–	–	17,498
		June 22, 2022[5]	10 years from the date of grant	US$11.74	N/A	US$11.98	34,645	–	–	–	–	34,645
		June 15, 2023[5]	10 years from the date of grant	US$16.01	N/A	US$16.41	–	26,975	–	–	–	26,975
Corazon D. Sanders	Independent Non-executive Director	August 24, 2020[5]	10 years from the date of grant	US$18.50	N/A	US$18.26	27,482	–	–	–	–	27,482
		June 16, 2021[5]	10 years from the date of grant	US$25.54	N/A	US$25.63	17,498	–	–	–	–	17,498
		June 22, 2022[5]	10 years from the date of grant	US$11.74	N/A	US$11.98	34,645	–	–	–	–	34,645
		June 15, 2023[5]	10 years from the date of grant	US$16.01	N/A	US$16.41	–	26,975	–	–	–	26,975
Alessandro Riva	Independent Non-executive Director	February 28, 2022[5]	10 years from the date of grant	US$16.47	N/A	US$16.22	22,581	–	–	–	–	22,581
		June 22, 2022[5]	10 years from the date of grant	US$11.74	N/A	US$11.98	34,645	–	–	–	–	34,645
		June 15, 2023[5]	10 years from the date of grant	US$16.01	N/A	US$16.41	–	26,975	–	–	–	26,975
Qingqing Yi	Independent Non-executive Director	April 19, 2017[4]	10 years from the date of grant	US$2.84	N/A	US$2.83	199,992	–	–	–	–	199,992
		June 6, 2018[5]	10 years from the date of grant	US$15.73	N/A	US$16.15	17,442	–	–	–	–	17,442
		June 5, 2019[5]	10 years from the date of grant	US$9.25	N/A	US$9.23	64,610	–	–	–	–	64,610
		June 17, 2020[5]	10 years from the date of grant	US$13.33	N/A	US$13.42	45,383	–	–	–	–	45,383
		June 16, 2021[5]	10 years from the date of grant	US$25.54	N/A	US$25.63	17,498	–	–	–	–	17,498
		June 22, 2022[5]	10 years from the date of grant	US$11.74	N/A	US$11.98	34,645	–	–	–	–	34,645
		June 15, 2023[5]	10 years from the date of grant	US$16.01	N/A	US$16.41	–	26,975	–	–	–	26,975

Name of grantee	Role	Date of grant	Exercise period	Price on day prior to grant[1]	Price on day prior to exercise date[2]	Exercise (Grant) price	Number of options: Outstanding as at January 1, 2023	Granted during the Reporting Period	Exercised during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Outstanding as at June 30, 2023
	Senior Management of the Company											
Xiaobin Wu	President, Chief Operating Officer and General Manager of China	April 30, 2018[6]	10 years from the date of grant	US$13.37	N/A	US$13.04	766,599	–	–	–	–	766,599
		June 5, 2019[3]	10 years from the date of grant	US$9.25	N/A	US$9.23	797,550	–	–	–	–	797,550
		June 17, 2020[3]	10 years from the date of grant	US$13.42	N/A	US$13.33	756,821	–	–	–	–	756,821
		June 16, 2021[3]	10 years from the date of grant	US$25.54	N/A	US$25.63	483,678	–	–	–	–	483,678
		June 22, 2022[3]	10 years from the date of grant	US$11.74	N/A	US$11.98	1,061,814	–	–	–	–	1,061,814
		June 15, 2023[3]	10 years from the date of grant	US$16.01	N/A	US$16.41	–	760,851	–	–	–	760,851
Julia Wang	Chief Financial Officer	June 30, 2020[3]	10 years from the date of grant	US$14.55	N/A	US$14.66	104,754	–	–	–	–	104,754
		June 16, 2021[3]	10 years from the date of grant	US$25.54	N/A	US$26.53	177,853	–	–	–	–	177,853
		June 22, 2022[3]	10 years from the date of grant	US$11.74	N/A	US$11.98	589,888	–	–	–	–	589,888
		June 15, 2023[3]	10 years from the date of grant	US$16.01	N/A	US$16.41	–	409,058	–	–	–	409,058
Lai Wang	Global Head of R&D	July 13, 2016[3]	10 years from the date of grant	US$2.27	N/A	US$2.29	–	–	–	–	–	–
		June 27, 2017[3]	10 years from the date of grant	US$3.50	N/A	US$3.49	–	–	–	–	–	
		June 26, 2018[3]	10 years from the date of grant	US$12.70	N/A	US$12.34	364,208	–	–	–	–	364,208
		June 5, 2019[3]	10 years from the date of grant	US$9.25	N/A	US$9.23	558,285	–	–	–	–	558,285
		June 17, 2020[3]	10 years from the date of grant	US$13.33	N/A	US$13.42	525,564	–	–	–	–	525,564
		June 16, 2021[3]	10 years from the date of grant	US$25.54	N/A	US$26.53	332,527	–	–	–	–	332,527
		June 22, 2022[3]	10 years from the date of grant	US$11.74	N/A	US$11.98	707,876	–	–	–	–	707,876
		June 15, 2023[3]	10 years from the date of grant	US$16.01	N/A	US$16.41	–	507,234	–	–	–	507,234
Chan Lee	SVP, General Counsel	August 5, 2022[3]	10 years from the date of grant	US$2.26	N/A	US$2.27	188,929	–	–	–	–	188,929
		June 15, 2023[3]	10 years from the date of grant	US$16.01	N/A	US$16.41	–	248,950	–	–	–	248,950

							Number of options					
Name of grantee	Role	Date of grant	Exercise period	Price on day prior to grant[1]	Price on day prior to exercise date[2]	Exercise (Grant) price	Outstanding as at January 1, 2023	Granted during the Reporting Period	Exercised during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Outstanding as at June 30, 2023
In Aggregate	Service Provider	July 13, 2016[3]	10 years from the date of grant	US$2.27	N/A	US$2.29	200,000	–	–	–		200,000
In Aggregate	Employees	July 13, 2016[3]	10 years from the date of grant	US$2.27	US$20.89	US$2.29	3,046,805	–	32,500	–	12	3,014,293
		July 22, 2016[3]	10 years from the date of grant	US$2.13	US$19.14	US$2.10	91,460	–	22,633	–	–	68,827
		July 22, 2016[6]	10 years from the date of grant	US$2.13	US$19.24	US$2.10	786,608	–	37,050	–	27	749,531
		July 29, 2016[3]	10 years from the date of grant	US$2.11	N/A	US$2.02	14	–	–	–	–	14
		August 9, 2016[3]	10 years from the date of grant	US$2.04	N/A	US$2.10	–	–	–	–		–
		August 22, 2016[3]	10 years from the date of grant	US$2.28	N/A	US$2.24	–	–	–	–		–
		September 2, 2016[3]	10 years from the date of grant	US$2.26	US$19.30	US$2.27	207,575	–	207,571	4		–
		September 12, 2016[3]	10 years from the date of grant	US$2.33	N/A	US$2.42	–	–	–	–		–
		September 19, 2016[3]	10 years from the date of grant	US$2.51	N/A	US$2.38	–	–	–	–		–
		September 26, 2016[3]	10 years from the date of grant	US$2.35	N/A	US$2.27	–	–	–	–		–
		October 12, 2016[3]	10 years from the date of grant	US$2.48	N/A	US$2.42	6	–	–	–		6
		October 12, 2016[6]	10 years from the date of grant	US$2.48	N/A	US$2.42	–	–	–	–		–
		October 17, 2016[3]	10 years from the date of grant	US$2.42	US$16.32	US$2.55	61,399	–	5,187	–		56,212
		November 1, 2016[3]	10 years from the date of grant	US$2.56	N/A	US$2.57	–	–	–	–		–
		November 7, 2016[3]	10 years from the date of grant	US$2.43	N/A	US$2.46	–	–	–	–		–
		November 8, 2016[3]	10 years from the date of grant	US$2.46	N/A	US$2.51	–	–	–	–		–
		November 16, 2016[3]	10 years from the date of grant	US$2.79	N/A	US$2.84	–	–	–	–		–
		November 21, 2016[3]	10 years from the date of grant	US$2.46	N/A	US$2.42	–	–	–	–		–

							Number of options					
Name of grantee	Role	Date of grant	Exercise period	Price on day prior to grant[1]	Price on day prior to exercise date[2]	Exercise (Grant) price	Outstanding as at January 1, 2023	Granted during the Reporting Period	Exercised during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Outstanding as at June 30, 2023
In Aggregate	Employees	November 28, 2016[3]	10 years from the date of grant	US$2.49	N/A	US$2.38	–	–	–	–		–
		November 30, 2016[3]	10 years from the date of grant	US$2.43	N/A	US$2.44	1,274	–	–	–		1,274
		December 1, 2016[3]	10 years from the date of grant	US$2.44	N/A	US$2.37	–	–	–	–		–
		December 9, 2016[3]	10 years from the date of grant	US$2.07	N/A	US$2.09	34,099	–	–	–		34,099
		January 3, 2017[3]	10 years from the date of grant	US$2.34	N/A	US$2.39	7,800	–	–	–		7,800
		January 5, 2017[3]	10 years from the date of grant	US$2.44	N/A	US$2.39	63,661	–	–	–		63,661
		January 9, 2017[3]	10 years from the date of grant	US$2.37	US$18.68	US$2.43	132,496	–	132,496	–		–
		January 17, 2017[3]	10 years from the date of grant	US$2.51	N/A	US$2.53	–	–	–	–		–
		January 17, 2017[6]	10 years from the date of grant	US$2.51	US$18.78	US$2.53	47,216	–	8,554	–		38,662
		January 23, 2017[3]	10 years from the date of grant	US$2.46	N/A	US$2.49	–	–	–	–		–
		January 30, 2017[3]	10 years from the date of grant	US$2.80	N/A	US$2.62	–	–	–	–		–
		February 1, 2017[3]	10 years from the date of grant	US$2.68	N/A	US$2.77	144,989	–	–	–		144,989
		February 6, 2017[3]	10 years from the date of grant	US$2.76	N/A	US$2.76	32,201	–	–	–		32,201
		February 8, 2017[3]	10 years from the date of grant	US$2.67	N/A	US$2.78	–	–	–	–		–
		February 13, 2017[3]	10 years from the date of grant	US$2.77	US$18.52	US$2.77	40,443	–	15,600	–		24,843
		February 27, 2017[3]	10 years from the date of grant	US$2.97	N/A	US$2.93	–	–	–	–		–
		March 6, 2017[3]	10 years from the date of grant	US$3.14	N/A	US$3.06	–	–	–	–		–
		March 13, 2017[3]	10 years from the date of grant	US$3.08	N/A	US$3.02	116,701	–	–	–		116,701
		March 20, 2017[3]	10 years from the date of grant	US$3.04	US$20.26	US$3.04	84,968	–	9,100	–		75,868

							Number of options					
Name of grantee	Role	Date of grant	Exercise period	Price on day prior to grant[1]	Price on day prior to exercise date[2]	Exercise (Grant) price	Outstanding as at January 1, 2023	Granted during the Reporting Period	Exercised during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Outstanding as at June 30, 2023
In Aggregate	Employees	March 27, 2017[3]	10 years from the date of grant	US$2.79	N/A	US$2.79	–	–	–	–		–
		March 31, 2017[6]	10 years from the date of grant	US$2.81	US$18.38	US$2.82	41,405	–	9,919	–		31,486
		April 3, 2017[3]	10 years from the date of grant	US$2.82	N/A	US$2.82	–	–	–	–		–
		April 10, 2017[3]	10 years from the date of grant	US$2.86	N/A	US$2.91	–	–	–	–		–
		April 11, 2017[3]	10 years from the date of grant	US$2.91	N/A	US$2.95	–	–	–	–		–
		April 17, 2017[3]	10 years from the date of grant	US$2.92	US$16.73	US$2.95	11,427	–	11,427	–		–
		April 24, 2017[3]	10 years from the date of grant	US$2.82	N/A	US$2.89	–	–	–	–		–
		April 26, 2017[3]	10 years from the date of grant	US$3.01	N/A	US$3.09	–	–	–	–		–
		May 1, 2017[3]	10 years from the date of grant	US$3.14	US$20.37	US$3.13	260,663	–	260,663	–		–
		May 2, 2017[6]	10 years from the date of grant	US$3.13	N/A	US$3.12	104,689	–	–	–		104,689
		May 3, 2017[3]	10 years from the date of grant	US$3.12	N/A	US$3.12	11,999	–	–	–		11,999
		May 8, 2017[3]	10 years from the date of grant	US$3.02	N/A	US$2.98	–	–	–	–		–
		May 10, 2017[3]	10 years from the date of grant	US$2.88	N/A	US$2.92	–	–	–	–		–
		May 15, 2017[3]	10 years from the date of grant	US$2.81	N/A	US$2.90	9,100	–	–	–		9,100
		May 30, 2017[3]	10 years from the date of grant	US$2.88	N/A	US$2.88	21,060	–	–	–		21,060
		June 1, 2017[6]	10 years from the date of grant	US$2.83	US$18.93	US$2.94	1,093,690	–	77,285	–		1,016,405
		June 12, 2017[3]	10 years from the date of grant	US$2.99	N/A	US$3.00	12,727	–	–	–		12,727
		June 14, 2017[3]	10 years from the date of grant	US$3.04	US$18.68	US$3.05	583,895	–	98,098	–		485,797
		June 15, 2017[6]	10 years from the date of grant	US$3.05	US$19.03	US$3.04	3,144,284	–	189,644	–	–	2,954,640

							Number of options					
Name of grantee	Role	Date of grant	Exercise period	Price on day prior to grant[1]	Price on day prior to exercise date[2]	Exercise (Grant) price	Outstanding as at January 1, 2023	Granted during the Reporting Period	Exercised during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Outstanding as at June 30, 2023
In Aggregate	Employees	June 21, 2017[3]	10 years from the date of grant	US$3.31	N/A	US$3.45	17,784	–	–	–		17,784
		June 23, 2017[3]	10 years from the date of grant	US$3.41	N/A	US$3.45	–	–	–	–		–
		June 27, 2017[3]	10 years from the date of grant	US$3.50	US$19.74	US$3.49	3,034,478	–	901,849	5		2,132,624
		June 29, 2017[3]	10 years from the date of grant	US$3.50	N/A	US$3.45	43,654	–	–	–		43,654
		July 10, 2017[3]	10 years from the date of grant	US$5.40	US$18.25	US$5.45	6,760	–	3,510	–		3,250
		July 17, 2017[3]	10 years from the date of grant	US$5.67	N/A	US$4.19	–	–	–	–		–
		July 17, 2017[6]	10 years from the date of grant	US$5.67	US$19.24	US$4.19	292,825	–	46,995	–		245,830
		July 24, 2017[3]	10 years from the date of grant	US$5.95	N/A	US$5.65	–	–	–	–		–
		July 31, 2017[3]	10 years from the date of grant	US$5.58	US$19.45	US$5.42	99,996	–	39,000	–		60,996
		July 31, 2017[6]	10 years from the date of grant	US$5.58	US$19.64	US$5.42	336,271	–	23,608	–		312,663
		August 1, 2017[3]	10 years from the date of grant	US$5.42	US$18.69	US$5.58	156,000	–	117,000	–		39,000
		August 2, 2017[6]	10 years from the date of grant	US$5.58	N/A	US$5.45	–	–	–	–		–
		August 3, 2017[3]	10 years from the date of grant	US$5.45	N/A	US$5.51	19,994	–	–	–		19,994
		August 7, 2017[3]	10 years from the date of grant	US$5.56	US$20.35	US$5.95	97,500	–	58,500	–		39,000
		August 8, 2017[3]	10 years from the date of grant	US$5.95	US$14.86	US$6.03	12,649	–	12,649	–		–
		August 10, 2017[3]	10 years from the date of grant	US$5.95	N/A	US$5.59	–	–	–	–		–
		August 11, 2017[3]	10 years from the date of grant	US$5.59	N/A	US$5.46	–	–	–	–		–
		August 17, 2017[3]	10 years from the date of grant	US$5.39	N/A	US$5.32	–	–	–	–		–
		August 25, 2017[3]	10 years from the date of grant	US$5.38	N/A	US$5.29	–	–	–	–		–

							Number of options					
Name of grantee	Role	Date of grant	Exercise period	Price on day prior to grant[1]	Price on day prior to exercise date[2]	Exercise (Grant) price	Outstanding as at January 1, 2023	Granted during the Reporting Period	Exercised during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Outstanding as at June 30, 2023
In Aggregate	Employees	August 28, 2017[3]	10 years from the date of grant	US$5.29	N/A	US$5.28	24,167	–	–	–		24,167
		August 31, 2017[3]	10 years from the date of grant	US$5.30	N/A	US$5.30	–	–	–	–		–
		August 31, 2017[6]	10 years from the date of grant	US$5.30	US$18.60	US$5.30	180,596	–	6,578	–		174,018
		September 5, 2017[3]	10 years from the date of grant	US$5.78	US$20.61	US$5.68	269,997	–	234,988	–		35,009
		September 12, 2017[3]	10 years from the date of grant	US$5.39	N/A	US$5.43	–	–	–	–		–
		September 13, 2017[3]	10 years from the date of grant	US$5.43	N/A	US$5.82	–	–	–	–		–
		September 18, 2017[3]	10 years from the date of grant	US$6.22	N/A	US$6.37	22,269	–	–	–		22,269
		September 22, 2017[3]	10 years from the date of grant	US$6.53	US$17.86	US$6.55	68,588	–	68,588	–		–
		September 25, 2017[3]	10 years from the date of grant	US$6.55	N/A	US$6.56	121,992	–	–	–		121,992
		September 26, 2017[3]	10 years from the date of grant	US$6.56	N/A	US$8.71	–	–	–	–		–
		September 29, 2017[3]	10 years from the date of grant	US$7.49	N/A	US$7.96	37,492	–	–	–		37,492
		November 1, 2017[3]	10 years from the date of grant	US$7.10	US$21.02	US$6.84	226,356	–	1,300	–		225,056
		November 30, 2017[3]	10 years from the date of grant	US$6.38	N/A	US$6.15	10,764	–	–	–		10,764
		January 5, 2018[3]	10 years from the date of grant	US$7.72	N/A	US$7.58	19,071	–	–	–		19,071
		January 31, 2018[3]	10 years from the date of grant	US$9.52	N/A	US$10.44	80,017	–	–	–		80,017
		February 28, 2018[3]	10 years from the date of grant	US$11.61	US$20.94	US$11.04	7,904	–	7,904	–		–
		April 30, 2018[3]	10 years from the date of grant	US$13.37	N/A	US$13.04	6,149	–	–	–		6,149
		June 6, 2018[5]	10 years from the date of grant	US$15.73	N/A	US$16.15	17,442	–	–	–		17,442
		June 26, 2018[3]	10 years from the date of grant	US$12.70	US$19.45	US$12.34	889,369	–	194,649	–		694,720
		June 29, 2018[3]	10 years from the date of grant	US$11.90	N/A	US$11.83	12,103	–	–	–		12,103
		August 31, 2018[3]	10 years from the date of grant	US$13.67	US$17.95	US$13.66	13,741	–	13,741	–		–
		August 31, 2018[7]	10 years from the date of grant	US$13.67	US$18.89	US$13.66	108,537	–	101,829	–		6,708

							Number of options				
Name of grantee	Role	Date of grant	Exercise period	Price on day prior to grant[1]	Price on day prior to exercise date[2]	Exercise (Grant) price	Outstanding as at January 1, 2023	Granted during the Reporting Period	Exercised during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Outstanding as at June 30, 2023
In Aggregate	Employees	September 28, 2018[3]	10 years from the date of grant	US$13.28	N/A	US$13.25	65,433	–	–	–		65,433
		September 28, 2018[8]	10 years from the date of grant	US$13.28	N/A	US$13.25	39,260	–	–	–		39,260
		November 30, 2018[3]	10 years from the date of grant	US$11.07	N/A	US$11.79	11,028	–	–	–		11,028
		December 31, 2018[3]	10 years from the date of grant	US$10.53	US$17.34	US$10.79	133,263	–	26,247	–		107,016
		December 31, 2018[8]	10 years from the date of grant	US$10.53	N/A	US$10.79	12,727	–	–	–		12,727
		January 25, 2019[3]	10 years from the date of grant	US$9.62	N/A	US$10.44	38,649	–	–	–		38,649
		February 28, 2019[3]	10 years from the date of grant	US$10.77	US$18.54	US$10.54	15,600	–	15,600	–		–
		March 5, 2019[3]	10 years from the date of grant	US$11.68	N/A	US$11.51	78,494	–	–	–		78,494
		May 10, 2019[3]	10 years from the date of grant	US$9.33	N/A	US$10.32	44,213	–	–	–		44,213
		June 5, 2019[3]	10 years from the date of grant	US$9.25	US$18.65	US$9.23	2,394,600	–	351,507	11,544		2,031,549
		June 5, 2019[5]	10 years from the date of grant	US$9.25	N/A	US$9.23	129,220	–	–	–		129,220
		June 28, 2019[3]	10 years from the date of grant	US$9.67	N/A	US$9.53	–	–	–	–		–
		August 30, 2019[3]	10 years from the date of grant	US$11.14	US$20.00	US$11.06	97,201	–	17,901	–		79,300
		November 29, 2019[3]	10 years from the date of grant	US$15.71	N/A	US$15.83	–	–	–	–		–
		December 31, 2019[3]	10 years from the date of grant	US$12.80	US$17.60	US$12.92	15,834	–	15,834	–		–
		March 3, 2020[3]	10 years from the date of grant	US$12.62	N/A	US$12.19	–	–	–	–		–
		March 31, 2020[3]	10 years from the date of grant	US$9.65	N/A	US$9.67	294,775	–	–	–		294,775
		May 12, 2020[3]	10 years from the date of grant	US$12.56	N/A	US$12.18	–	–	–	–		–
		May 29, 2020[3]	10 years from the date of grant	US$12.49	N/A	US$12.73	–	–	–	–		–
		June 17, 2020[3]	10 years from the date of grant	US$13.33	US$19.13	US$13.42	1,543,243	–	278,915	12,194		1,252,134
		June 17, 2020[5]	10 years from the date of grant	US$13.33	N/A	US$13.42	90,776	–	90,766	–		90,766
		June 30, 2020[3]	10 years from the date of grant	US$14.55	N/A	US$14.66	212,771	–	–	–		212,771

							Number of options					
Name of grantee	Role	Date of grant	Exercise period	Price on day prior to grant[1]	Price on day prior to exercise date[2]	Exercise (Grant) price	Outstanding as at January 1, 2023	Granted during the Reporting Period	Exercised during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Outstanding as at June 30, 2023
In Aggregate	Employees	August 7, 2020[3]	10 years from the date of grant	US$17.24	N/A	US$16.99	40,248	–	–	–		40,248
		August 31, 2020[3]	10 years from the date of grant	US$18.69	N/A	US$18.85	–	–	–	–	–	–
		September 30, 2020[3]	10 years from the date of grant	US$21.65	N/A	US$22.03	8,021	–	–	–		8,021
		November 6, 2020[3]	10 years from the date of grant	US$23.08	N/A	US$23.07	175,708	–	–	–		175,708
		November 30, 2020[3]	10 years from the date of grant	US$21.99	N/A	US$20.99	15,756	–	–	–	–	15,756
		January 22, 2021[3]	10 years from the date of grant	US$27.46	N/A	US$28.81	55,263	–	–	–		55,263
		February 26, 2021[3]	10 years from the date of grant	US$25.36	N/A	US$25.81	6,331	–	–	–		6,331
		March 31, 2021[3]	10 years from the date of grant	US$25.61	N/A	US$26.78	148,824	–	–	–		148,824
		May 7, 2021[3]	10 years from the date of grant	US$24.15	N/A	US$24.78	84,240	–	–	–		84,240
		May 28, 2021[3]	10 years from the date of grant	US$27.00	N/A	US$27.58	121,485	–	–	–		121,485
		June 16, 2021[3]	10 years from the date of grant	US$25.54	N/A	US$26.53	1,878,695	–	–	20,397	144,391	1,713,907
		June 30, 2021[3]	10 years from the date of grant	US$27.48	N/A	US$27.28	59,397	–	–	–		59,397
		August 6, 2021[3]	10 years from the date of grant	US$25.84	N/A	US$25.61	150,423	–	–		4,251	146,172
		August 31, 2021[3]	10 years from the date of grant	US$23.22	N/A	US$23.72	153,322	–	–	–		153,322
		September 30, 2021[3]	10 years from the date of grant	US$27.81	N/A	US$28.73	57,018	–	–	–	1,560	55,458
		November 5, 2021[3]	10 years from the date of grant	US$28.38	N/A	US$28.08	45,786	–	–	–	22,555	23,231
		November 30, 2021[3]	10 years from the date of grant	US$26.40	N/A	US$26.85	64,649	–	–	–		64,649
		December 31, 2021[3]	10 years from the date of grant	US$21.03	N/A	US$20.84	59,332	–	–	12,363		46,969
		January 27, 2022[3]	10 years from the date of grant	US$17.27	N/A	US$18.61	371,059	–	–	–		371,059
		February 28, 2022[3]	10 years from the date of grant	US$16.47	US$18.81	US$16.22	171,626	–	3,835	12,168	4,043	151,580
		March 31, 2022[3]	10 years from the date of grant	US$15.85	N/A	US$15.46	135,694	–	–	–		135,694
		May 6, 2022[3]	10 years from the date of grant	US$12.27	N/A	US$12.50	80,821	–	–	–		80,821
		May 31, 2022[3]	10 years from the date of grant	US$10.30	N/A	US$10.56	123,604	–	–	–		123,604

Name of grantee	Role	Date of grant	Exercise period	Price on day prior to grant[1]	Price on day prior to exercise date[2]	Exercise (Grant) price	Number of options: Outstanding as at January 1, 2023	Granted during the Reporting Period	Exercised during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Outstanding as at June 30, 2023
In Aggregate	Employees	June 22, 2022[3]	10 years from the date of grant	US$11.74	US$13.69	US$11.98	5,816,690	–	2,028	101,833		5,712,829
		June 22, 2022[3]	10 years from the date of grant	US$11.74	N/A	US$11.98	11,804	–	–	–		11,804
		June 30, 2022[3]	10 years from the date of grant	US$12.48	N/A	US$12.81	77,974	–	–	–		77,974
		August 31, 2022[3]	10 years from the date of grant	US$12.73	N/A	US$13.32	22,009	–	–	–		22,009
		September 30, 2022[3]	10 years from the date of grant	US$10.48	N/A	US$10.58	66,690	–	–	–		66,690
		November 10, 2022[3]	10 years from the date of grant	US$13.56	N/A	US$14.52	54,106	–	–	–		54,106
		November 30, 2022[3]	10 years from the date of grant	US$13.84	N/A	US$14.74	17,745	–	–	–		17,745
		December 30, 2022[3]	10 years from the date of grant	US$17.22	N/A	US$17.26	7,592	–	–	–		7,592
		January 25, 2023[3]	10 years from the date of grant	US$20.52	N/A	US$20.64	–	29,471	–	–		29,471
		February 28, 2023[3]	10 years from the date of grant	US$16.62	N/A	US$17.28	–	61,724	–	–		61,724
		March 31, 2023[3]	10 years from the date of grant	US$16.67	N/A	US$16.99	–	63,765	–	–		63,765
		May 5, 2023[3]	10 years from the date of grant	US$20.05	N/A	US$20.06	–	31,837	–	–		31,837
		May 31, 2023[3]	10 years from the date of grant	US$17.56	N/A	US$17.98	–	19,188	–	–		19,188
		June 15, 2023[3]	10 years from the date of grant	US$16.01	N/A	US$16.41	–	5,314,374	–	–		5,314,374
		June 30, 2023[3]	10 years from the date of grant	US$13.74	N/A	US$13.82	–	30,277	–	–		30,277
Total							58,683,144	9,396,660	3,662,282	170,508	176,839	64,070,175

Notes:

* Mr. Anthony C. Hooper was a non-executive Director of the Company at the time of grants and has been redesignated as an independent non-executive Director of the Company since April 17, 2023.

(1) The stated price was the closing price as quoted on the NASDAQ, divided by 13, on the trading day immediately prior to the grant date.

(2) The stated price was the weighted-average closing price as quoted on the NASDAQ, divided by 13, on the trading day immediately prior to the date which the options were exercised.

(3) 25% of the options become exercisable on the first anniversary of the grant date or, for new employees, the first anniversary of the last trading day of the month following the date on which such grantee starts his or her service relationship with the Company or its subsidiaries. The remaining 75% become exercisable in 36 equal monthly installments, each of which shall become exercisable on the last day of each month following the vest of the initial 25%. Certain options may be subject to accelerated vesting upon change in control and/or termination.

(4) One-third of the options become exercisable on each anniversary of the grant date.

(5) 100% of the options become exercisable on the earlier of the first anniversary of the grant date or the date of the next annual general meeting. Certain options may be subject to accelerated vesting upon change in control and/or termination.

(6) 20% of the options become exercisable on the first anniversary of the grant date. The remaining 80% become exercisable in 48 equal monthly installments, each of which shall become exercisable on the last day of each month following the vest of the initial 20%. Certain options may be subject to accelerated vesting upon change in control and/or termination.

(7) The options become exercisable in 48 equal monthly installments, beginning on the last day of the first month after grant.

(8) The options become exercisable upon satisfaction of specified performance targets, including certain financial targets and management targets as set out in the relevant grant letters.

(9) 50% of the options become exercisable on the first anniversary of the grant date. The remaining 50% become exercisable in 12 equal monthly installments, each of which shall become exercisable on the last day of each month following the vest of the initial 50%.

Further details of the outstanding options granted under the 2016 Plan during the Reporting Period are as follows:

Name	Number of options granted during the Reporting Period	Date of grant	Vesting/ Exercise period	Exercise price (US$)	Performance targets	Closing price of the Shares immediately before the grant	Fair value of the options at the date of grant[3]
Directors							
John V. Oyler	1,349,907	June 15, 2023	(1)	US$16.41	–	US$16.01	US$10,999,987
Xiaodong Wang	327,249	June 15, 2023	(1)	US$16.41	–	US$16.01	US$2,666,654
Anthony C. Hooper	26,975	June 15, 2023	(2)	US$16.41	–	US$16.01	US$199,963
Margaret Han Dugan	26,975	June 15, 2023	(2)	US$16.41	–	US$16.01	US$199,963
Donald W. Glazer	26,975	June 15, 2023	(2)	US$16.41	–	US$16.01	US$199,963
Michael Goller	26,975	June 15, 2023	(2)	US$16.41	–	US$16.01	US$199,963
Ranjeev Krishana	26,975	June 15, 2023	(2)	US$16.41	–	US$16.01	US$199,963
Thomas Malley	26,975	June 15, 2023	(2)	US$16.41	–	US$16.01	US$199,963
Corazon D. Sanders	26,975	June 15, 2023	(2)	US$16.41	–	US$16.01	US$199,963
Alessandro Riva	26,975	June 15, 2023	(2)	US$16.41	–	US$16.01	US$199,963
Qingqing Yi	26,975	June 15, 2023	(2)	US$16.41	–	US$16.01	US$199,963

Name	Number of options granted during the Reporting Period	Date of grant	Vesting/ Exercise period	Exercise price (US$)	Performance targets	Closing price of the Shares immediately before the grant	Fair value of the options at the date of grant[3]
Senior Managements							
Xiaobin Wu	760,851	June 15, 2023	(1)	US$16.41	–	US$16.01	US$6,199,947
Julia Wang	409,058	June 15, 2023	(1)	US$16.41	–	US$16.01	US$3,333,291
Lai Wang	507,234	June 15, 2023	(1)	US$16.41	–	US$16.01	US$4,133,298
Chan Lee	248,950	June 15, 2023	(1)	US$16.41	–	US$16.01	US$2,028,619
Other grantees							
Employee Participants							
In aggregate	5,550,636	January 25, 2023-June 30, 2023	(1)	US$13.82-US$20.64	–	US$13.74-US$20.52	US$45,464,808
Total	9,396,660						US$80,105,854

Notes:

(1) 25% of the options become exercisable on the first anniversary of the grant date or, for new employees, the first anniversary of the last trading day of the month following the date on which such grantee starts his or her service relationship with the Company or its subsidiaries. The remaining 75% become exercisable in 36 equal monthly installments, each of which shall become exercisable on the last day of each month following the vest of the initial 25%. Certain options may be subject to accelerated vesting upon change in control and/or termination. The exercise period for the options is 10 years from the date of grant.

(2) 100% of the options become exercisable on the earlier of the first anniversary of the grant date or the date of the next annual general meeting. Certain options may be subject to accelerated vesting upon change in control and/or termination. The exercise period for the options is 10 years from the date of grant.

(3) The fair values of the options are calculated in accordance with the accounting standards and policies adopted for preparing the Company's financial statements. The fair value is determined using the binomial method, which is calculated by a third party. The binomial model uses a number of variables to calculate the fair value, including the post-vesting forfeiture rate, the risk-free rate of interest, volatility, contractual life, etc.

Movements of RSUs under the 2016 Plan

As of June 30, 2023, the Company has conditionally granted RSUs to 14,393 participants under the Amended 2016 Plan. All of the RSUs under the Amended 2016 Plan were granted between September 26, 2017 and June 30, 2023 (both days inclusive).

As of January 1, 2023, 55,397,173 Shares were outstanding pursuant to RSUs granted under the 2016 Plan, and as of June 30, 2023, 68,073,668 Shares were outstanding under the 2016 Plan. Details of the movements of the unvested RSUs are set out below:

					Number of RSUs					
Name of grantee	Role	Date of grant	Vesting period	Price on day prior to the grant	Outstanding as of January 1, 2023	Granted during the Reporting Period	Vested during the Reporting Period	Forfeited during the Reporting Period	Outstanding as of June 30, 2023	Closing price on the day prior to vesting date during 2023[1]
	Directors of the Company									
John V. Oyler	Executive Director, Chairman and Chief Executive Officer	April 30, 2018	(6)	US$13.37	–	–	–	–	–	–
		June 26, 2018	(6)	US$12.70	–	–	–	–	–	–
		June 16, 2021	(6)	US$25.54	109,694	–	36,556	–	73,138	US$15.46
		June 22, 2022	(6)	US$11.74	334,009	–	83,499	–	250,510	US$14.28
		June 15, 2023	(6)	US$16.01	–	355,641	–	–	355,641	–
Xiaodong Wang	Non-executive Director	June 26, 2018	(6)	US$12.70	–	–	–	–	–	–
		June 16, 2021	(6)	US$25.54	29,250	–	9,750	–	19,500	US$15.46
		June 22, 2022	(6)	US$11.74	83,499	–	20,865	–	62,634	US$14.28
		June 15, 2023	(6)	US$16.01	–	86,216	–	–	86,216	–
Anthony C. Hooper	Independent Non-executive Director	June 16, 2021	(7)	US$25.54	7,800	–	–	–	7,800	–
		June 22, 2022	(7)	US$11.74	16,692	–	–	–	16,692	–
		June 15, 2023	(7)	US$16.01	–	12,922	–	–	12,922	–
Margaret Han Dugan	Independent Non-executive Director	June 22, 2022	(7)	US$11.74	16,692	–	16,692	–	–	US$16.01
		June 15, 2023	(7)	US$16.01	–	12,922	–	–	12,922	–
Donald W. Glazer	Independent Non-executive Director	June 16, 2021	(7)	US$25.54	7,800	–	–	–	7,800	–
		June 22, 2022	(7)	US$11.74	16,692	–	–	–	16,692	–
		June 15, 2023	(7)	US$16.01	–	12,922	–	–	12,922	–

					Number of RSUs					
Name of grantee	Role	Date of grant	Vesting period	Price on day prior to the grant	Outstanding as of January 1, 2023	Granted during the Reporting Period	Vested during the Reporting Period	Forfeited during the Reporting Period	Outstanding as of June 30, 2023	Closing price on the day prior to vesting date during 2023[1]
Michael Goller	Independent Non-executive Director	June 16, 2021	(7)	US$25.54	–	–	–	–	–	–
		June 22, 2022	(7)	US$11.74	16,692	–	16,692	–	–	US$16.01
		June 15, 2023	(7)	US$16.01	–	12,922	–	–	12,922	–
Ranjeev Krishana	Independent Non-executive Director	June 16, 2021	(7)	US$25.54	–	–	–	–	–	–
		June 22, 2022	(7)	US$11.74	16,692	–	16,692	–	–	US$16.01
		June 15, 2023	(7)	US$16.01	–	12,922	–	–	12,922	–
Thomas Malley	Independent Non-executive Director	June 16, 2021	(7)	US$25.54	–	–	–	–	–	–
		June 22, 2022	(7)	US$11.74	16,692	–	16,692	–	–	US$16.01
		June 15, 2023	(7)	US$16.01	–	12,922	–	–	12,922	–
Corazon D. Sanders	Independent Non-executive Director	June 16, 2021	(7)	US$25.54	–	–	–	–	–	–
		June 22, 2022	(7)	US$11.74	16,692	–	16,692	–	–	US$16.01
		June 15, 2023	(7)	US$16.01	–	12,922	–	–	12,922	–
Alessandro Riva	Independent Non-executive Director	June 22, 2022	(7)	US$11.74	16,692	–	16,692	–	–	US$16.01
		June 15, 2023	(7)	US$16.01	–	12,922	–	–	12,922	–
Qingqing Yi	Independent Non-executive Director	June 16, 2021	(7)	US$25.54	–	–	–	–	–	–
		June 22, 2022	(7)	US$11.74	16,692	–	16,692	–	–	US$16.01
		June 15, 2023	(7)	US$16.01	–	12,922	–	–	12,922	–
	Senior Management of the Company									
Xiaobin Wu	President, Chief Operating Officer and General Manager of China	April 30, 2018	(6)	US$13.37	230,009	–	230,009	–	–	US$19.61
		June 5, 2019	(6)	US$9.25	108,368	–	108,368	–	–	US$17.49
		June 17, 2020	(6)	US$13.33	67,093	–	33,527	–	33,566	US$15.40
		June 16, 2021	(6)	US$25.54	58,500	–	19,500	–	39,000	US$15.46
		June 22, 2022	(6)	US$11.74	187,876	–	46,969	–	140,907	US$14.28
		June 15, 2023	(6)	US$16.01	–	200,447	–	–	200,447	–

					Number of RSUs					
Name of grantee	Role	Date of grant	Vesting period	Price on day prior to the grant	Outstanding as of January 1, 2023	Granted during the Reporting Period	Vested during the Reporting Period	Forfeited during the Reporting Period	Outstanding as of June 30, 2023	Closing price on the day prior to vesting date during 2023[1]
Julia Wang	Chief Financial Officer	June 30, 2020	(6)	US$14.55	27,612	–	13,793	–	13,819	US$13.74
		June 16, 2021	(6)	US$25.54	21,515	–	7,163	–	14,352	US$15.46
		February 28, 2022	(6)	US$16.47	61,750	–	15,431	–	46,319	US$16.62
		June 22, 2022	(6)	US$11.74	104,377	–	26,091	–	78,286	US$14.28
		June 15, 2023	(6)	US$16.01	–	107,770	–	–	107,770	–
Lai Wang	Global Head of R&D	June 26, 2018	(6)	US$12.70	–	–	–	–	–	–
		June 5, 2019	(6)	US$9.25	18,993	–	18,993	–	–	US$17.49
		June 17, 2020	(6)	US$13.33	46,592	–	23,283	–	23,309	US$15.40
		June 16, 2021	(6)	US$25.54	40,222	–	13,403	–	26,819	US$15.46
		June 22, 2022	(6)	US$11.74	125,255	–	31,304	–	93,951	US$14.28
		June 15, 2023	(6)	US$16.01	–	133,627	–	–	133,627	–
Chan Lee	SVP, General Counsel	July 29, 2022	(6)	US$13.45	116,012	–	–	–	116,012	–
		June 15, 2023	(6)	US$16.01	–	65,585	–	–	65,585	–
	Other Grantees									
In Aggregate	Employees of the Group	Between January 31, 2018 to December 31, 2021	(6)	US$18.55	18,205,967	–	6,300,684	806,754	11,098,529	(2)
		Between January 1, 2022 to December 31, 2022	(6)	US$12.46	–	37,617,853	2,938	2,276,469	35,338,446	(3)
		Between January 1, 2023 to June 30, 2023	(6)	US$15.69	–	28,387,437	–	161,044	28,226,393	–
In Aggregate	Service Providers	Between February 4, 2019 to December 31, 2021	(6)	US$12.01	8,684	–	8,684	–	–	(4)
		Between January 1, 2022 to December 31, 2022	(8)	US$17.70	23,634	–	–	–	23,634	–
Total					55,397,173	29,453,021	14,435,759	2,340,767	68,073,668	

Notes:

(1) The stated price was the weighted-average closing price as quoted on the NASDAQ, divided by 13, on the trading day immediately prior to the date which the RSUs were vested.

(2) The weighted-average closing price as quoted on the NASDAQ, divided by 13, on the trading day immediately prior to the date which the RSUs vested was ranged from US$10.10 to US$16.92.

(3) The weighted-average closing price as quoted on the NASDAQ, divided by 13, on the trading day immediately prior to the date which the RSUs vested was US$16.92.

(4) The weighted-average closing price as quoted on the NASDAQ, divided by 13, on the trading day immediately prior to the date which the RSUs vested was ranged from US$10.10 to US$16.92.

(5) The weighted-average closing price as quoted on the NASDAQ, divided by 13, on the trading day immediately prior to the date which the RSUs vested was US$16.92.

(6) 25% of the Shares shall vest on the vesting commencement date and each anniversary of such date if the grantee remained in a continuous service relationship with the Company or its subsidiaries through each such date; provided, however, that certain underlying Shares shall become vested upon a change of control or termination of employment, if applicable, as set forth in such grantee's employment agreement or offer letter.

(7) 100% of the Shares shall vest on the earlier of the first anniversary of the grant date or the date of the next annual general meeting. Certain options may be subject to accelerated vesting upon change in control and/or termination.

(8) 100% of the Shares shall vest on the vesting commencement date if the grantee remained in a continuous service relationship with the Company or its subsidiaries through each such date; provided, however, that certain underlying Shares shall become vested upon a change of control or termination of employment, if applicable, as set forth in such grantee's employment agreement or offer letter.

Further details of the unvested RSUs granted during the Reporting Period are as follows:

Name	Number of RSUs granted during the Reporting Period	Date of grant	Vesting period	Performance targets	Price on day prior to the grant	Fair value of RSUs at the date of grant[3]
Directors						
John V. Oyler	355,641	June 15, 2023	(1)	–	US$16.01	US$5,499,851
Xiaodong Wang	86,216	June 15, 2023	(1)	–	US$16.01	US$1,333,297
Anthony C. Hooper	12,922	June 15, 2023	(2)	–	US$16.01	US$199,834
Margaret Han Dugan	12,922	June 15, 2023	(2)	–	US$16.01	US$199,834
Donald W. Glazer	12,922	June 15, 2023	(2)	–	US$16.01	US$199,834
Michael Goller	12,922	June 15, 2023	(2)	–	US$16.01	US$199,834
Renjeev Krishana	12,922	June 15, 2023	(2)	–	US$16.01	US$199,834
Thomas Malley	12,922	June 15, 2023	(2)	–	US$16.01	US$199,834
Corazon D. Sanders	12,922	June 15, 2023	(2)	–	US$16.01	US$199,834
Alessandro Riva	12,922	June 15, 2023	(2)	–	US$16.01	US$199,834
Qingqing Yi	12,922	June 15, 2023	(2)	–	US$16.01	US$199,834
Senior Management						
Xiaobin Wu	200,447	June 15, 2023	(1)	–	US$16.01	US$3,099,836
Julia Wang	107,770	June 15, 2023	(1)	–	US$16.01	US$1,666,622
Chan Lee	65,585	June 15, 2023	(1)	–	US$16.01	US$1,014,247
Lai Wang	133,627	June 15, 2023	(1)	–	US$16.01	US$2,066,490
Other grantees by category						
Employee Participants						
In aggregate	28,387,437	January 1, 2023-June 30, 2023	(1)	–	US$15.69	US$445,528,243
Total	29,453,021					US$482,348,341

Notes:

(1) 25% of the Shares shall vest on the vesting commencement date and each anniversary of such date if the grantee remained in a continuous service relationship with the Company or its subsidiaries through each such date; provided, however, that certain underlying Shares shall become vested upon a change of control or termination of employment, if applicable, as set forth in such grantee's employment agreement or offer letter.

(2) 100% of the Shares shall vest on the earlier of the first anniversary of the grant date or the date of the next annual general meeting. Certain options may be subject to accelerated vesting upon change in control and/or termination.

(3) The fair values of the RSUs are calculated in accordance with the accounting standards and policies adopted for preparing the Company's financial statements. The fair value is determined by reference to the closing price of the Company's ADSs on NASDAQ on the date of grant.

3. Third Amended and Restated 2018 Employee Share Purchase Plan

The 2018 ESPP was approved by our Board on November 7, 2018 and by our shareholders on December 7, 2018 to amend and restate the 2018 Employee Share Purchase Plan originally adopted by the Company on June 6, 2018. On June 5, 2019, the Board approved Amendment No. 1 to the 2018 ESPP. In June 2021, our Board adopted the third amended and restated 2018 ESPP to include some technical amendments under U.S. tax rules and to consolidate the changes in the prior amendment, which became effective on September 1, 2021.

Purpose

The 2018 ESPP is to provide the Company's employees with the opportunity to acquire an ownership interest in the Company, encouraging them to remain in our employ and more closely aligning their interests with those of our shareholders.

The 2018 ESPP allows eligible employees to purchase our Shares (including in the form of ADSs) at a 15% discount to the market price of our Shares or ADSs. Employees would purchase our Shares or ADSs at the end of an offering period using funds deducted from their payroll during the offering period.

The 2018 ESPP is administered under the direction of our Compensation Committee, which has the authority to interpret the provisions of the 2018 ESPP and to make all other determinations necessary or advisable in administering it.

Eligible Participants and Maximum Entitlement of Each Participant

All employees of our Company and participating subsidiaries who are employed as of the first day of the applicable offering and have been employed as of the commencement of the enrollment period for such offering are eligible to participate in the 2018 ESPP, other than employees who would own 5% or more of the voting power of our Shares after exercising their rights to purchase Shares under the 2018 ESPP.

To participate in the 2018 ESPP, an eligible employee authorizes payroll deductions in an amount not less than 1% nor greater than 10% of his or her "eligible earnings" (i.e., gross cash compensation, including regular base pay (including overtime pay and commissions, to the extent determined by our Compensation Committee) to a maximum of US$25,000 per year, but excluding incentive or bonus awards, allowances and reimbursements for expenses such as relocation allowances or travel expenses, income or gain on the exercise of share options, and similar items) for each full payroll period in the offering period.

Eligible employees enroll in an offering period (which generally will begin on each March 1 and September 1 and last for six months unless otherwise determined by our Compensation Committee in advance) during the open enrollment period prior to the start of that offering period. For the purpose of disclosure in this interim report, such offering period is considered to be the vesting period.

An eligible employee may withdraw from participation in the 2018 ESPP, following which the Company will refund such individual's authorized payroll deduction in full. Partial withdrawals are not permitted.

Purchase Price and Basis of Determination

Shares are purchased at a price equal to 85% of the fair market value of our ordinary shares on either the first local business day of the offering period or the last local business day of the offering period, whichever is lower.

Accordingly, the number of Shares purchased can only be determined after the end of offering period subject to the determination of the purchase price. If the number of unsold Shares that are available for purchase under the 2018 ESPP is insufficient to permit exercise of all rights deemed exercised by all participating employees, a participation adjustment will be made, and the number of Shares purchasable by all participating employees will be reduced proportionately. Any funds remaining in a participating employee's account after such exercise are refunded to the employee, without interest.

If a participating employee voluntarily resigns or is terminated by us prior to the last day of an offering period, the employee's option to purchase terminates and the cash amount in the employee's account is returned to the employee.

In the event of a recapitalization, reclassification, share split, reverse split, combination of shares, exchange of shares, share dividend, or similar event, the number and kind of shares that may be purchased under the 2018 ESPP will be adjusted proportionately such that the proportionate interest of participating employees remains the same, to the extent practicable. In the event of a change in control, each outstanding option will be assumed or an equivalent option will be substituted. In the event outstanding options are not assumed or substituted, the offering period with respect to which such outstanding option relates will be shortened by setting a new exercise date prior to the date of the change in control.

OTHER INFORMATION

Maximum Number of Shares Available for Grant

A maximum of 7,355,315 Shares are available for grant under the 2018 ESPP.

As at January 1, 2023, 3,666,071 Shares were available for grant under the 2018 ESPP. The aforementioned figure had not taken into account Shares purchased pursuant to the offering period which commenced from September 1, 2022 as the relevant number of Shares could not be determined as at January 1, 2023. During the Reporting Period, 930,852 new Shares were purchased by and issued to eligible employees pursuant to the 2018 ESPP. It follows that, as at June 30, 2023 and September 15, 2023, 2,735,219 and 1,941,075 Shares were available for grant under the 2018 ESPP, respectively. The aforementioned figure as at June 30, 2023 had not taken into account Shares purchased pursuant to the offering period which commenced from March 1, 2023 as the relevant number of Shares could not be determined as at June 30, 2023.

Maximum Number of Shares Available for Issue

A maximum of 7,355,315 Shares are available for purchase and issue under the 2018 ESPP. As at January 1, 2023, 3,666,071 new Shares were available for purchase and issue under the 2018 ESPP. During the Reporting Period, 930,852 new Shares were purchased by and issued to eligible employees pursuant to the 2018 ESPP following the end of the offering periods which commenced on September 1, 2022. It follows that, as at June 30, 2023 and September 15, 2023, 2,735,219 and 1,941,075 Shares (being approximately 0.14% of the issued share capital of the Company as at September 15, 2023) were available for purchase and issue under the 2018 ESPP, respectively.

Remaining Life of the 2018 ESPP

The 2018 ESPP was approved by shareholders on December 7, 2018 and shall remain in effect for ten years from such date unless terminated earlier by the Board. The remaining life of the 2018 ESPP is approximately 5.5 years.

Grants under the 2018 ESPP

3,039 and 3,218 eligible employees (including senior management members) participated in the 2018 ESPP during the offering periods which commenced on September 1, 2022 and March 1, 2023, respectively.

Details of the grants under the 2018 ESPP are as follows:

Name	Date of grant/ First day of offering period	Vesting/ Offering period	Purchase price in respect of the Shares purchased at the end of the offering period which commenced on September 1, 2022 (US$)	Granted/Payroll deduction amounts authorized by the eligible employees at the beginning of the offering period which commenced on September 1, 2022 (US$)[Note (1)]	Vested/Shares purchased during the Reporting Period (US$)[Note (2)]
Senior Management					
Xiaobin Wu	September 1, 2022	6 months	US$11.19	US$10,626.76	US$10,617 (equivalent to 949 Shares purchased based on a purchase price of US$11.19)
Other grantees by category					
Employee Participants	September 1, 2022	6 months	US$11.19	US$10,403,119	US$10,403,119 (equivalent to 929,903 Shares purchased based on a purchase price of US$11.19)
Total					US$10,413,732

Notes:

1. The closing price of the Shares immediately before September 1, 2022 is US$13.20 (equivalent to approximately HK$103.60), and the fair value of the Shares at the date of grant (i.e. first day of offering period) is US$12,251,444 (equivalent to approximately HK$96,153,743). There are no performance targets attached to the participation in the 2018 ESPP for the offering period which commenced on September 1, 2022.

2. During the Reporting Period, in respect of the payroll deduction amounts authorized by the eligible employees at the beginning of the offering period which commenced on September 1, 2022 and taking into account any eligible employees who withdrew from the 2018 ESPP during such offering period, such relevant amounts of authorized payroll reduction were used to purchase an aggregate of 930,852 Shares at the purchase price of US$11.19 at the end of the offering period (i.e. February 28, 2023). The weighted average closing price of the Shares immediately before the end of the offering period (i.e. February 28, 2023) is US$17.28 (equivalent to approximately HK$135.58), and the fair value of the total Shares purchased on the date of purchase is US$16,084,407 (equivalent to approximately HK$126,195,362).

3. The final amount of payroll deduction authorized by eligible employees for the offering period which commenced on September 1, 2022 is US$10,413,736 and the number of Shares purchased after the end such offering period is 930,852.

4. As an eligible employee may withdraw from participation in the 2018 ESPP, following which the Company will refund such individual's authorized payroll deduction in full, the final amount of payroll deduction authorized by eligible employees can only be determined after the end of each offering period. Such final amount of payroll deduction authorized by eligible employees is used in whole to purchase Shares as soon as practicable after the end of each offering period, accordingly there would not be any outstanding grants as of the end of each offering period.

4. Amended and Restated 2018 Inducement Equity Plan

On June 6, 2018, the Company adopted the 2018 Inducement Plan and reserved 12,000,000 Shares to be used exclusively for grants of awards to individuals that were not previously employees of the Company or its subsidiaries, as an inducement to the individual's entry into employment with the Company or its subsidiaries. The 2018 Inducement Plan was approved by the Board upon recommendation of our Compensation Committee. Upon the effectiveness of Amendment No. 2 to the 2016 Plan, on June 22, 2022, the 2018 Inducement Plan was terminated to the effect that no new equity awards shall be granted under the plan but the outstanding equity awards under the plan shall continue to vest and/or be exercisable in accordance with their terms.

Further details of the 2018 Inducement Plan are set out in Note 17 to the consolidated financial statements.

Purpose

The 2018 Inducement Plan provides the Company with the flexibility to grant equity awards to induce highly-qualified prospective officers and employees who are not currently employed by the Company or its subsidiaries to accept employment and to provide them with a proprietary interest in the Company. It is anticipated that providing such persons with a direct stake in the Company will assure a closer identification of their interests with those of the Company and its shareholders, thereby stimulating their efforts on the Company's behalf and strengthening their desire to remain with the Company.

Eligible Participants

Full-time and part-time employees of the Company and its subsidiaries for whom the Company may issue securities without shareholder approval in accordance with Rule 5635(c)(4) of the Marketplace Rules of the NASDAQ Stock Market, Inc., as selected from time to time by our Compensation Committee, are eligible to participate in the 2018 Inducement Plan.

Maximum Number of Shares for Grant

On June 22, 2022, the 2018 Inducement Plan was terminated to the effect that no new equity awards shall be granted under the 2018 Inducement Plan but the outstanding equity awards under the plan shall continue to vest and/or be exercisable in accordance with their terms. As such, no new Shares have been available for grant under the 2018 Inducement Plan since June 22, 2022.

Maximum Number of Shares Available for Issue

As at January 1, 2023, no new Shares were available for issue under the 2018 Inducement Plan. During the period ended June 30, 2023, no new Shares were issued pursuant to the 2018 Inducement Plan. As the 2018 Inducement Plan was terminated on June 22, 2022 and no grants under the 2018 Inducement Plan remained outstanding as at June 30, 2023, it follows that, as at June 30, 2023 and September 15, 2023, 0 new Shares and 0 new Shares (representing approximately 0% of the issued share capital of the Company as at September 15, 2023) were available for issue under the 2018 Inducement Plan, respectively.

Expiration of the 2018 Inducement Plan

The 2018 Inducement Plan remains in effect until discontinued by the Board.

Upon the effectiveness of Amendment No. 2 to the 2016 Plan, on June 22, 2022, the 2018 Inducement Plan was terminated to the effect that no new equity awards shall be granted under the 2018 Inducement Plan but the outstanding equity awards under the plan shall continue to vest and/or be exercisable in accordance with their terms.

Limit of Each Grantee

Unless approved by our shareholders in a general meeting, the total number of Shares issued and to be issued upon the exercise of share options granted and to be granted under the 2018 Inducement Plan and any other equity plans of the Company to a grantee within any 12-month period shall not exceed 1% of the Shares in issue at the date of any grant.

Option Period

Our Compensation Committee may determine at the time of grant any minimum period(s) for which a share option must be held and/or any minimum performance target(s) that must be achieved, before the share option can be exercised in whole or in part, and may include at the discretion of our Compensation Committee such other terms either on a case by case basis or generally.

The term of each share option will be fixed by our Compensation Committee and may not exceed 10 years from the date of grant. Any share option granted but not exercised by the end of its option term will automatically lapse and be cancelled. Our Compensation Committee will determine at what time or times each option may be exercised.

Exercise Price

The exercise price of each share option will be determined by our Compensation Committee but may not be less than the higher of: (i) 1/13th of the closing price of one ADS on the NASDAQ on the date of grant; and (ii) 1/13th of the average closing price of one ADS on the NASDAQ for the five business days immediately preceding the date of grant.

Consideration

No consideration is required to be paid by the grantees for the grant of options under the 2018 Inducement Plan.

Outstanding Options under the 2018 Inducement Plan

Details of the movements of the outstanding options were as follows:

						Number of options				
Grantee role	Date of grant	Exercise period	Price on day prior to grant[1]	Price on day prior to exercise date[2]	Exercise price	Outstanding as of January 1, 2023	Granted during the Reporting Period	Exercised during the Reporting Period	Cancelled/ Lapsed during the Reporting Period	Outstanding as of June 30, 2023
In aggregate Employees	August 31, 2018[3]	10 years from the date of grant	US$13.67	N/A	US$13.66	–	–	–	–	–
Total						–	–	–	–	–

(1) The stated price was the closing price as quoted on the NASDAQ, divided by 13, on the trading day immediately prior to the grant date.

(2) The stated price was the weighted-average closing price as quoted on the NASDAQ, divided by 13, on the trading day immediately prior to the date which the options were exercised.

(3) 25% of the options become exercisable on the first anniversary of the last trading day of the month following the date on which such grantee starts his or her service relationship with the Company or its subsidiaries. The remaining 75% become exercisable in 36 equal monthly installments, each of which shall become exercisable on the last day of each month following the vest of the initial 25%.

OTHER INFORMATION

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company is committed to maintaining and promoting stringent corporate governance. The principle of the Company's corporate governance is to promote effective internal control measures, uphold a high standard of ethics, transparency, responsibility, and integrity in all aspects of business, to ensure that its affairs are conducted in accordance with applicable laws and regulations, and to enhance the transparency and accountability of the Board to the Company's shareholders.

The Board believes that good corporate governance standards are essential in providing a framework for the Company to safeguard the interests of shareholders, enhance corporate value and formulate its business strategies and policies.

During the Reporting Period, the Company has applied the principles in the Corporate Governance Code as set out in Appendix 14 to the HK Listing Rules (the "Corporate Governance Code") which are applicable to the Company and complied with the code provisions in the Corporate Governance Code save for the following deviations.

Pursuant to code provision C.2.1 of the Corporate Governance Code, companies listed on the HKEX are expected to comply with, but may choose to deviate from, the requirement that the responsibilities of the Chairman and the Chief Executive Officer should be segregated and should not be performed by the same individual. We do not have a separate Chairman and Chief Executive Officer and Mr. John V. Oyler currently performs these two roles. Our Board believes that Mr. John V. Oyler is the Director best suited to identify strategic opportunities and focus of the Board due to his extensive understanding of our business as a Co-Founder and our Chief Executive Officer. Our Board also believes that the combined role of Chairman and Chief Executive Officer can promote the effective execution of strategic initiatives and facilitate the flow of information between management and the Board. Our Board will continue to review and consider splitting the roles of Chairman and the Chief Executive Officer at a time when it is appropriate by taking into account the circumstances of our Company as a whole. Our Corporate Governance Guidelines provide the Board with the flexibility to choose the appropriate Board leadership structure of the Company based upon its view of what is in the best interest of the Company. Our Corporate Governance Guidelines also provide that if the same person holds the Chairman and Chief Executive Officer roles or if the Chairman does not otherwise qualify as independent, the independent Directors may elect a lead director. Mr. Ranjeev Krishana, an independent non-executive Director of the Company, currently serves as the lead director. The Board believes our current Board leadership structure will help ensure continuity of strong and effective leadership. The lead director has responsibilities that are set forth in our Corporate Governance Guidelines, including presiding at meetings of the Board at which the Chairman is not present, including executive sessions of the independent directors; consulting with management regarding Board meeting schedules, locations, agendas, and materials; and calling meetings of the independent and non-management Directors, when appropriate.

Our Audit Committee is in compliance with Rule 3.21 of the HK Listing Rules and the Corporate Governance Code, except for the terms of reference required by paragraphs D.3.3 and D.3.7 of the Corporate Governance Code. However, the charter of our Audit Committee complies with the listing rules of the Nasdaq Stock Market (the "NASDAQ Listing Rules") and the rules of the SEC. The primary duties of the Audit Committee are, among other things, to monitor the integrity of our financial statements and our compliance with legal and regulatory requirements as they relate to our financial statements and accounting matters, review the adequacy of our internal control over financial reporting, and review all related party transactions for potential conflict of interest situations and approving all such transactions. As of the date of this interim report, the Audit Committee comprises three independent non-executive Directors, namely Mr. Anthony C. Hooper (redesignated as an independent non-executive director since April 17, 2023), Mr. Thomas Malley and Dr. Corazon (Corsee) D. Sanders. Effective September 13, 2023, Mr. Anthony C. Hooper has been appointed as the chairman of the Audit Committee. Mr. Thomas Malley ceased to serve as the chairman of the Audit Committee but remains a member of the Audit Committee.

Our Compensation Committee is in compliance with Rule 3.25 of the HK Listing Rules and the Corporate Governance Code, except for the terms of reference required by paragraph E.1.2 of the Corporate Governance Code. However, the charter of the Compensation Committee complies with the NASDAQ Listing Rules. The primary duties of the Compensation Committee are to review and make recommendations to the Board with respect to director compensation, evaluate the performance of our Chief Executive Officer, President, Chief Operating Officer and General Manager of China, and Chief Financial Officer and review and make recommendations to the Board regarding the terms of their compensation, review and approve the compensation of our other executive officers and senior management, and review and approve matters relating to incentive-based compensation plans and equity-based plans. As of the date of this interim report, the Compensation Committee comprises three independent non-executive Directors, namely Dr. Margaret Han Dugan, Mr. Ranjeev Krishana and Mr. Qingqing Yi. Dr. Margaret Han Dugan is the chair of the Compensation Committee.

Our nominating and corporate governance committee (the "Nominating and Corporate Governance Committee") is in compliance with Rule 3.27A of the HK Listing Rules and the Corporate Governance Code, except for the terms of reference required by paragraph B.3.1 of the Corporate Governance Code. However, the charter of the Nominating and Corporate Governance Committee complies with the NASDAQ Listing Rules. The primary duties of the Nominating and Corporate Governance Committee are to develop and recommend to the Board criteria for board and committee membership, recommend to the Board the persons to be nominated for election as directors and to each of the Board's committees, and develop and recommend to the Board a set of corporate governance guidelines. As of the date of this interim report, the Nominating and Corporate Governance Committee comprises four independent non-executive Directors, namely Mr. Donald W. Glazer, Mr. Michael Goller, Mr. Anthony C. Hooper (redesignated as an independent non-executive director since April 17, 2023) and Dr. Alessandro Riva. Mr. Donald W. Glazer is the chairman of the Nominating and Corporate Governance Committee.

Except as disclosed above, the Company has complied with all of the provisions set out in the Corporate Governance Code during the Reporting Period.

The Board will continue to regularly review and monitor its corporate governance practices to ensure compliance with the Corporate Governance Code and maintain a high standard of corporate governance practices of the Company.

OTHER INFORMATION

COMPLIANCE WITH POLICIES EQUIVALENT TO THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

Except as disclosed below, the Company has adopted its own insider dealing policies on terms no less exacting than those in the Model Code regarding the directors' dealings in the securities of the Company.

Pursuant to Rule B.8 of the Model Code, a director must not deal in any securities of the issuer without first notifying in writing the chairman or a director (otherwise than himself) designated by the board for the specific purpose and receiving a dated written acknowledgement. Under the Company's insider dealing policies, the General Counsel of the Company, has been designated as the insider trading compliance officer whom a director who intends to deal in the Company's securities must notify. Our Board believes that our insider trading compliance officer, despite not being a member of the Board, is able to carry out his duties properly and competently in accordance with the Company's insider dealing policies, the terms of which are otherwise no less exacting than those in the Model Code.

Having made specific enquiry of all the Directors, all the Directors confirmed that they have strictly complied with the required standards set out in the Company's own insider dealing policies throughout the period from January 1, 2023 up to the date of this interim report.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the Reporting Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

DISCLOSURE OF CHANGES IN DIRECTORS' INFORMATION PURSUANT TO HK LISTING RULE 13.51(B)(1)

Upon specific enquiry by the Company and following confirmations from the Directors, save as disclosed hereunder, there is no change in the information of the Directors required to be disclosed pursuant to Rule 13.51B(1) of the HK Listing Rules during the Reporting Period and up to the date of this interim report. The change of the Director's information is set out below:

Director	Change in Position held with the Company
Mr. Anthony C. Hooper	Redesignated as an independent non-executive director effective April 17, 2023 and remains as a member of the Audit Committee and the Nominating and Corporate Governance Committee and the chairman of the commercial and medical affairs advisory committee of the Board (the "Commercial and Medical Affairs Advisory Committee").

In addition to the above, since the date of this interim report and as disclosed in the announcement of the Company dated September 14, 2023, Mr. Anthony C. Hooper has been appointed as the Chair of the Audit Committee and Mr. Thomas Malley ceased to serve as the Chair of the Audit Committee, both effective September 13, 2023. Mr. Thomas Malley remains a member of the Audit Committee.

USE OF NET PROCEEDS

Use of Net Proceeds from Amgen

On January 2, 2020, the Company sold 15,895,001 ADSs, representing 206,635,013 ordinary shares of the Company and approximately 20.5% ownership stake in the Company's outstanding shares as at the same date, to Amgen for aggregate cash proceeds of US$2,779,241,000, or US$174.85 per ADS, pursuant to the Amgen SPA (as amended) executed in connection with the Amgen Collaboration Agreement. The subscription price represents: (a) a 36% premium to the 30-day volume weighted average price of the Company's ADSs as of October 30, 2019, the day prior to the date of the Amgen SPA; (b) assuming a conversion rate of US$1.00: HK$7.84, a 26% premium to the closing price of the Company's ordinary shares as quoted on the HKEX on October 31, 2019, the date of the Amgen SPA; and (c) a 26% premium to the closing price of the Company's ADSs on the NASDAQ on October 31, 2019.

The net proceeds from the sale of the shares have been and will be utilized in accordance with the purposes set out in the proxy statement/circular of the Company dated November 29, 2019. The table below sets out the planned applications of the net proceeds and actual usage up to June 30, 2023:

Use of proceeds	Planned applications (US dollars in thousands)	Percentage of total net proceeds (%)	Actual usage up to December 31, 2022 (US dollars in thousands)	Actual usage up to June 30, 2023 (US dollars in thousands)	Unutilized net proceeds as of June 30, 2023 (US dollars in thousands)
To fund business operations[(a)]	2,779,241	100%	2,080,068	2,186,658	592,583

Note (a): To fund the Company's development obligations under the Amgen Collaboration Agreement by contributing cash and development services up to a total cap of approximately US$1.25 billion, the development, manufacturing and commercialization of the Company's internally developed drug candidates, expansion of the Company's commercialization activities, and for future capacity expansion and general corporate use, as appropriate, as previously disclosed in the Company's proxy statement/circular dated November 29, 2019.

The Company plans to gradually utilize the remaining net proceeds in accordance with such intended purposes depending on actual business, which is expected to be fully utilized by the end of year 2026. For further details, please refer to the announcements of the Company dated November 1, 2019, December 9, 2019, and January 3, 2020.

OTHER INFORMATION

On September 24, 2020, the Company entered into the Restated Second Amendment to amend the Amgen SPA. Pursuant to the Restated Second Amendment, the Company granted Amgen the Direct Purchase Option to subscribe for Additional Shares in an amount necessary to enable it to increase (and subsequently maintain) its ownership at approximately 20.6% of the Company's outstanding share capital. The Direct Purchase Option is exercisable on a monthly basis but only if Amgen's interest in the outstanding share capital of the Company at the monthly reference date drops below 20.4% solely as a result of dilution arising from issuance of new shares by the Company under its equity incentive plans from time to time. The aggregate number of Additional Shares shall not exceed 75,000,000 shares during the term of the Direct Purchase Option.

The purchase price for the Additional Shares will be the volume-weighted average price of the Company's ADSs for the 90 days preceding the last trading day of the prior month. The exercise period of the Direct Purchase Option commenced on December 1, 2020 and will terminate on the earliest of: (a) the date on which Amgen owns less than 20% of the outstanding share capital of the Company as a result of Amgen's sale of shares; (b) at least 60-day advance written notice from either Amgen or the Company that such party wishes to terminate the Direct Purchase Option; or (c) the third anniversary of the date on which the exercise period of the Direct Purchase Option commences. The Direct Purchase Option has no vesting period.

For further details, please refer to the announcements of the Company dated March 18, 2020, September 25, 2020 and the Company's proxy statement/circular dated October 9, 2020.

In September 2021, upon Amgen's exercise of its Direct Purchase Option, the Company issued an aggregate of 165,529 ADSs, representing 2,151,877 ordinary shares, to Amgen for a total consideration of US$50,000,000 in a private placement pursuant to the Restated Second Amendment. As of December 31, 2022, net proceeds amounting to US$50,000,000 had been fully utilized. Amgen did not exercise the Direct Purchase Option in the first half of 2023.

Use of Net Proceeds from STAR Offering

On December 15, 2021, the Company completed STAR Offering on the STAR Market of the SSE. The shares offered in the STAR Offering were issued to and subscribed for by permitted investors in China in Renminbi ("RMB Shares") pursuant to the general mandate to issue shares, which was approved by the shareholders at the Company's 2021 annual general meeting of shareholders held on June 16, 2021. The public offering price of the RMB Shares was RMB192.60 per RMB Share, which equates to HK$234.89 per ordinary share and US$391.68 per ADS. In this offering, the Company sold 115,055,260 RMB Shares. The RMB Shares are not fungible with the ordinary shares of the Company listed on the HKEX or with the ADSs representing the Company's ordinary shares listed on the NASDAQ. Net proceeds after deducting underwriting commission and offering expenses were US$3,392,616,000. The net proceeds from the STAR Offering have been and will be utilized in accordance with the purposes set out in the prospectus of STAR Offering (the "STAR Prospectus"), including (i) clinical development and research project, (ii) research and development center construction, (iii) bio-manufacturing plant construction, (iv) sales and marketing force expansion, and (v) working capital and general corporate purposes. As required by the PRC securities laws, the net proceeds from the STAR Offering must be used in strict compliance with the planned uses as disclosed in the STAR Prospectus as well as the Company's proceeds management policy for the STAR Offering approved by the Board.

For details, please refer to the Company's announcements dated November 16, 2020, January 29, 2021, April 20, 2021, May 14, 2021, June 1, 2021, June 21, 2021, June 28, 2021, June 30, 2021, July 9, 2021, July 28, 2021, October 15, 2021, November 16, 2021, November 23, 2021, November 24, 2021, November 29, 2021, November 30, 2021, December 2, 2021, December 6, 2021, December 7, 2021, December 13, 2021, December 21, 2021, December 28, 2021, April 29, 2022, June 27, 2022, August 30, 2022, September 28, 2022, April 25, 2023 and the circular dated April 30, 2021 of the Company.

As of June 30, 2023, net proceeds amounting to RMB10.9 billion had been utilized, and the remaining RMB10.7 billion will be gradually utilized in accordance with such intended purposes depending on actual business needs, and are expected to be fully utilized within five years after the completion of STAR Offering. The table below sets out the planned applications of the net proceeds and actual usage up to June 30, 2023:

Use of proceeds	Planned applications RMB'000	Actual usage up to December 31, 2022 RMB'000	Actual usage up to June 30, 2023 RMB'000	Unutilized net proceeds as of June 30, 2023 RMB'000
Clinical Development and Research Projects	13,245,940	4,499,849	5,859,120	7,386,820
R&D Center Construction	467,700	376,601	405,821	61,879
Bio-Manufacture Plant Construction	150,000	153,451	153,451	(3,451)*
Sales & Marketing Force Expansion	136,360	71,580	80,180	56,180
Replenishment of Working Capital	6,000,000	2,662,674	3,957,192	2,042,808
Excess of Proceeds	1,630,155	489,000	489,000	1,141,155
Total	21,630,155	8,253,155	10,944,764	10,685,391

* The excess over the planned applications for Bio-Manufacture Plant Construction was provided by interest income from the STAR Offering proceeds.

DIFFERENCES BETWEEN U.S. GAAP AND IFRS

The interim financial statements for the six months ended June 30, 2023 is prepared by the Directors of the Company under U.S. GAAP, and the differences between U.S. GAAP and IFRS have been disclosed in the Note 25 to such interim financial statements.

Basis of Preparation

Disclosure is set out by providing a comparison (the "GAAP Difference Reconciliation") between the Company's relevant financial information as extracted from the Company's interim financial statements on the one hand, and adjustments of such financial information had they instead been prepared in accordance with the IFRS. The process applied in the preparation of such GAAP Difference Reconciliation is also set out below.

OTHER INFORMATION

Reconciliation Process

The GAAP Difference Reconciliation has been prepared by the Directors by comparing the differences between the "Amounts as reported under U.S. GAAP" for each of the six months ended 30 June 2023 and 2022 on the one hand, and the "Amounts under IFRS" on the other hand in respect of each of the six months ended 30 June 2023 and 2022, as appropriate, and quantifying the relevant financial effects of such differences, if any. Attention is drawn to the fact that as the GAAP Difference Reconciliation has not been subject to an independent audit and accordingly, no opinion is expressed by an auditor on whether the financial information in the GAAP Difference Reconciliation presents a true and fair view or not.

Assurance engagement and results

Ernst & Young was engaged by the Company to conduct work in accordance with the International Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or reviews of Historical Financial Information" ("ISAE 3000 (Revised)") issued by the International Federation of Accountants (IFAC) on the GAAP Difference Reconciliation. The work consisted primarily of:

(i) Comparing the financial information in the column "Amounts as reported under U.S. GAAP" as disclosed in the note 25 to the Company's unaudited interim condensed consolidated financial statements (the "Note 25") with the respective line items in the Company's unaudited interim condensed consolidated statement of operations for the six months ended June 30, 2023 and the unaudited condensed consolidated balance sheet as of June 30, 2023 (collectively the "Financial Statements Line Items"), as appropriate;

(ii) Considering the adjustments are made in accordance with the basis of preparation and reconciliation process as set out in the subsection headed "Differences between U.S. GAAP and IFRS" in the "Other Information" section of the Company's interim report for the six months ended June 30, 2023 at the columns "IFRS adjustments" as disclosed in the Note 25; and

(iii) Checking the arithmetic accuracy of the computation of the Company's financial information in the column "Amounts under IFRS" as disclosed in the Note 25.

Ernst & Young's engagement did not involve independent examination of any of the underlying financial information. The work carried out in accordance with ISAE 3000 (Revised) is different in scope from an audit or a review conducted in accordance with International Standards on Auditing or International Standards on Review Engagements issued by the IFAC and consequently, Ernst & Young did not express an audit opinion nor a review conclusion on the GAAP Difference Reconciliation. Ernst & Young's engagement was intended solely for the use of the Directors in connection with the above purpose for this interim report and may not be suitable for another purpose. Based on the work performed, Ernst & Young has concluded that nothing has come to their attention that causes them to believe:

(i) The amounts in the column "Amounts as reported under U.S. GAAP" as disclosed in the Note 25 are not in agreement with the respective Financial Statements Line Items;

(ii) The IFRS adjustments as disclosed in the Note 25 are not prepared, in all material respects, in accordance with the basis of preparation and reconciliation process as set out in the subsection headed "Differences between U.S. GAAP and IFRS" in the "Other Information" section of the Company's interim report for the six months ended June 30, 2023; and

(iii) The computation of the amounts in the column "Amounts under IFRS" as disclosed in the Note 25 are not arithmetically accurate.

AUDIT COMMITTEE REVIEW OF FINANCIAL STATEMENTS

Our Audit Committee reviews the adequacy of our internal controls to ensure that our internal control system is effective in identifying, managing and mitigating risks involved in our business operations. As of the date of this interim report, the Audit Committee consists of three independent non-executive Directors, namely Mr. Thomas Malley, Mr. Anthony C. Hooper (redesignated as an independent non-executive director since April 17, 2023) and Dr. Corazon (Corsee) D. Sanders. Mr. Thomas Malley is the chairman of the Audit Committee. Effective September 13, 2023, Mr. Anthony C. Hooper has been appointed as the Chair of the Audit Committee and Mr. Thomas Malley ceased to serve as the Chair of the Audit Committee but remains a member of the Audit Committee.

The Audit Committee has reviewed the unaudited consolidated financial statements, interim results and interim report of the Company for the six months ended June 30, 2023. The Audit Committee has also discussed matters with respect to the accounting policies and practices adopted by the Company and internal control with members of senior management and the external auditor of the Company.

OTHER BOARD COMMITTEES

In addition to the Audit Committee, the Company has a Nominating and Corporate Governance Committee, a Compensation Committee, a Scientific Advisory Committee and a Commercial and Medical Affairs Advisory Committee.

IMPORTANT EVENTS AFTER THE REPORTING DATE

Except as disclosed in this interim report, no important events affecting the Company occurred since June 30, 2023 and up to the date of this interim report.

CONTINUING DISCLOSURE OBLIGATIONS PURSUANT TO THE HK LISTING RULES

The Company does not have any other disclosure obligations under Rules 13.20, 13.21 and 13.22 of the HK Listing Rules.

On behalf of the Board
John V. Oyler
Chairman

Hong Kong
August 25, 2023

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

	Note	Six Months Ended June 30, 2023 US$'000	2022 US$'000
Revenues			
Product revenue, net	14	**964,036**	566,084
Collaboration revenue	4	**79,026**	82,114
Total revenues		**1,043,062**	648,198
Expenses			
Cost of sales – product		**177,779**	136,410
Research and development		**831,348**	768,122
Selling, general and administrative		**723,533**	625,976
Amortization of intangible assets		**375**	376
Total expenses		**1,733,035**	1,530,884
Loss from operations		**(689,973)**	(882,686)
Interest income, net		**31,086**	21,502
Other expense, net		**(45,515)**	(117,650)
Loss before income taxes		**(704,402)**	(978,834)
Income tax expense	10	**25,166**	22,090
Net loss		**(729,568)**	(1,000,924)
Net loss per share (in US$)		**(0.54)**	(0.75)
Weighted-average shares outstanding – basic and diluted		**1,357,211,308**	1,334,252,648
Net loss per American Depositary Share ("ADS") (in US$)		**(6.99)**	(9.75)
Weighted-average ADSs outstanding – basic and diluted		**104,400,870**	102,634,819

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

	Six Months Ended June 30,	
	2023	2022
	US$'000	US$'000
Net loss	**(729,568)**	(1,000,924)
Other comprehensive income (loss), net of tax of nil:		
Foreign currency translation adjustments	**(73,172)**	(88,085)
Unrealized holding income (loss), net	**6,902**	(12,315)
Comprehensive loss	**(795,838)**	(1,101,324)

UNAUDITED INTERIM CONDENSED CONSOLIDATED BALANCE SHEETS

	Note	As of June 30, 2023 US$'000 (unaudited)	As of December 31, 2022 US$'000 (audited)
Assets			
Current assets:			
Cash and cash equivalents		**3,410,368**	3,869,564
Short-term restricted cash	5	**9,693**	196
Short-term investments	5	**105,693**	665,251
Accounts receivable, net	6	**299,282**	173,168
Inventories	7	**321,333**	282,346
Prepaid expenses and other current assets	11	**255,050**	216,553
Total current assets		**4,401,419**	5,207,078
Non-current assets:			
Long-term restricted cash	5	**1,513**	5,277
Property, plant and equipment, net	8	**1,031,938**	845,946
Operating lease right-of-use assets		**99,422**	109,960
Intangible assets, net	9	**46,895**	40,616
Other non-current assets	11	**147,549**	170,413
Total non-current assets		**1,327,317**	1,172,212
Total assets		**5,728,736**	6,379,290
Liabilities and shareholders' equity			
Current liabilities:			
Accounts payable	12	**266,975**	294,781
Accrued expenses and other payables	11	**454,950**	467,352
Deferred revenue, current portion	4	**159,034**	213,861
Tax payable	10	**17,074**	25,189
Operating lease liabilities, current portion		**23,508**	24,041
Research and development cost share liability, current portion	4	**62,516**	114,335
Short-term debt	13	**421,052**	328,969
Total current liabilities		**1,405,109**	1,468,528

UNAUDITED INTERIM CONDENSED CONSOLIDATED BALANCE SHEETS

	Note	As of June 30, 2023 US$'000 (unaudited)	As of December 31, 2022 US$'000 (audited)
Non-current liabilities:			
Long-term bank loans	13	**207,426**	209,148
Deferred revenue, non-current portion	4	**24,276**	42,026
Operating lease liabilities, non-current portion		**25,821**	34,517
Deferred tax liabilities	10	**15,652**	15,996
Research and development cost share liability, non-current portion	4	**208,775**	179,625
Other long-term liabilities	11	**43,118**	46,095
Total non-current liabilities		**525,068**	527,407
Total liabilities		**1,930,177**	1,995,935
Commitments and contingencies	21		
Equity:			
Ordinary shares, US$0.0001 par value per share; 9,500,000,000 shares authorized; 1,376,251,336 and 1,356,140,180 shares issued and outstanding as of June 30, 2023 and December 31, 2022, respectively		**137**	135
Additional paid-in capital		**11,752,019**	11,540,979
Accumulated other comprehensive loss	18	**(143,687)**	(77,417)
Accumulated deficit		**(7,809,910)**	(7,080,342)
Total equity		**3,798,559**	4,383,355
Total liabilities and equity		**5,728,736**	6,379,290

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

	Ordinary Shares		Additional Paid-In	Accumulated Other Comprehensive	Accumulated	
	Shares	Amount	Capital	Income (loss)	Deficit	Total
		US$'000	US$'000	US$'000	US$'000	US$'000
Balance at December 31, 2022	**1,356,140,180**	**135**	**11,540,979**	**(77,417)**	**(7,080,342)**	**4,383,355**
Use of shares reserved for share option exercises	**121,342**	**–**	**–**	**–**	**–**	**–**
Exercise of options, ESPP and release of RSUs	**19,989,814**	**2**	**32,347**	**–**	**–**	**32,349**
Share-based compensation	**–**	**–**	**178,693**	**–**	**–**	**178,693**
Other comprehensive loss	**–**	**–**	**–**	**(66,270)**	**–**	**(66,270)**
Net loss	**–**	**–**	**–**	**–**	**(729,568)**	**(729,568)**
Balance at June 30, 2023	**1,376,251,336**	**137**	**11,752,019**	**(143,687)**	**(7,809,910)**	**3,798,559**
Balance at December 31, 2021	1,334,804,281	133	11,191,007	17,950	(5,076,527)	6,132,563
Cost from issuance of ordinary shares	–	–	(152)	–	–	(152)
Use of shares reserved for share option exercises	2,165,904	–	–	–	–	–
Exercise of options, ESPP and release of RSUs	12,669,239	1	18,971	–	–	18,972
Share-based compensation	–	–	146,860	–	–	146,860
Other comprehensive loss	–	–	–	(100,400)	–	(100,400)
Net loss	–	–	–	–	(1,000,924)	(1,000,924)
Balance at June 30, 2022	1,349,639,424	134	11,356,686	(82,450)	(6,077,451)	5,196,919

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Note	Six Months Ended June 30, 2023 US$'000	2022 US$'000
Operating activities:			
Net loss		**(729,568)**	(1,000,924)
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation and amortization expense		**42,346**	32,061
Share-based compensation expenses	17	**178,693**	146,860
Unrealized losses on equity investments	5	**2,178**	23,529
Amortization of research and development cost share liability	4	**(22,669)**	(45,583)
Deferred income tax (expense) benefits		**(15)**	555
Other items, net		**767**	6,360
Changes in operating assets and liabilities:			
Accounts receivable		**(131,923)**	307,430
Inventories		**(53,598)**	(31,633)
Other assets		**(30,627)**	32,335
Accounts payable		**(32,678)**	(30,362)
Accrued expenses and other payables		**(8,082)**	21,168
Deferred revenue		**(72,577)**	(76,737)
Other liabilities		**88**	(1,581)
Net cash used in operating activities		**(857,665)**	(616,522)
Investing activities:			
Purchases of property, plant and equipment		**(247,055)**	(95,421)
Purchases of investments		**(11,582)**	(11,504)
Proceeds from sale or maturity of investments		**567,500**	1,051,028
Purchase of in-process research and development		**–**	(75,000)
Net cash provided by investing activities		**308,863**	869,103

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Note	Six Months Ended June 30, 2023 US$'000	2022 US$'000
Financing activities:			
Proceeds from long-term loan	13	**15,771**	–
Proceeds from short-term loans	13	**161,846**	67,586
Repayment of short-term loans	13	**(66,574)**	(115,405)
Proceeds from option exercises and employee share purchase plan		**35,169**	18,972
Net cash provided by (used in) financing activities		**146,212**	(28,847)
Effect of foreign exchange rate changes, net		**(50,873)**	(71,212)
Net (decrease) increase in cash, cash equivalents, and restricted cash		**(453,463)**	152,522
Cash, cash equivalents, and restricted cash at beginning of period		**3,875,037**	4,382,887
Cash, cash equivalents, and restricted cash at end of period		**3,421,574**	4,535,409
Supplemental cash flow information:			
Cash and cash equivalents		**3,410,368**	4,531,137
Short-term restricted cash		**9,693**	333
Long-term restricted cash		**1,513**	3,939
Income taxes paid		**32,529**	24,436
Interest paid		**10,015**	12,899
Supplemental non-cash information:			
Capital expenditures included in accounts payable and accrued expenses		**95,404**	58,676

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. DESCRIPTION OF BUSINESS, BASIS OF PRESENTATION AND CONSOLIDATION AND SIGNIFICANT ACCOUNTING POLICIES

Description of business

BeiGene, Ltd. (the "Company", "BeiGene", "it", "its") is a global biotechnology company that is discovering and developing innovative oncology treatments that are more accessible and affordable to cancer patients worldwide.

The Company currently has three approved medicines that were internally discovered and developed, including BRUKINSA®, a small molecule inhibitor of Bruton's Tyrosine Kinase for the treatment of various blood cancers; tislelizumab, an anti-PD-1 antibody immunotherapy for the treatment of various solid tumor and blood cancers; and pamiparib, a selective small molecule inhibitor of PARP1 and PARP2. The Company has obtained approvals to market BRUKINSA in the United States, the People's Republic of China ("China" or the "PRC"), the European Union ("EU"), the United Kingdom ("UK"), Canada, Australia and additional international markets, and tislelizumab and pamiparib in China. By leveraging its strong commercial capabilities, the Company has in-licensed the rights to distribute an additional 14 approved medicines for the China market. Supported by its global clinical development and commercial capabilities, the Company has entered into collaborations with world-leading biopharmaceutical companies to develop and commercialize innovative medicines.

The Company is committed to advancing best and first-in-class clinical candidates internally or with like-minded partners to develop impactful and affordable medicines for patients across the globe. The Company has conducted more than 120 clinical trials in-house, with over 21,000 subjects enrolled in approximately 45 regions. This includes more than 35 pivotal or potentially registration-enabling trials across its portfolio, including three internally discovered, approved medicines.

The Company has built, and is expanding, its internal manufacturing capabilities. The Company is building a commercial-stage biologics manufacturing and clinical R&D center in New Jersey, in addition to its state-of-the-art biologic and small molecule manufacturing facilities in China to support current and potential future demand of its medicines. The Company also works with high quality global contract manufacturing organizations ("CMOs") to manufacture its internally developed clinical and commercial products.

Since its inception in 2010, the Company has become a fully integrated global organization of over 10,000 employees worldwide, including the United States, China, Europe and Australia.

1. DESCRIPTION OF BUSINESS, BASIS OF PRESENTATION AND CONSOLIDATION AND SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Description of business *(Continued)*

As of June 30, 2023, the Company had the following 57 subsidiaries:

Name of Company	Place of Incorporation	Particulars of issued/paid-in capital	Percentage of Ownership by the Company	Principal Activities and Place of Operation
BeiGene 101	Cayman Islands	–	100%	No substantial business activities, Cayman Islands
BeiGene AUS Pty Ltd ("BeiGene Australia")	Australia	USD56,947,230	100%	Medical, pharmaceutical research and development and commercialization, Australia
BeiGene Austria GmbH	Austria	EUR35,000	100%	Medical, pharmaceutical research and development and commercialization, Austria
BeiGene (Beijing) Co., Ltd. ("BeiGene Beijing")	PRC*	RMB1,922,787,023	100%	Medical and pharmaceutical research and development, PRC
BeiGene Biologics Co., Ltd. ("BeiGene Biologics")	PRC*	RMB14,540,000,000	100%	Medical and pharmaceutical research and development and manufacturing, PRC
BeiGene (Canada) ULC	Canada	CAD100	100%	Medical, pharmaceutical research and development and commercialization, Canada
BeiGene Colombia S.A.S.	Colombia	–	100%	Medical, pharmaceutical commercialization, Colombia
BeiGene ESP, S.L.U.	Spain	EUR3,000	100%	Medical, pharmaceutical research and development and commercialization, Spain
BeiGene France Sarl	France	EUR7,500	100%	Medical, pharmaceutical research and development and commercialization, France
BeiGene Guangzhou Biologics Manufacturing Co., Ltd. ("BeiGene Guangzhou Factory")	PRC*	RMB12,490,389,800	100%	Medical and pharmaceutical research and development, manufacturing and commercialization, PRC
BeiGene (Guangzhou) Innovation Technology Co., Ltd. ("BeiGene Guangzhou")	PRC*	USD263,000,000	100%	Medical and pharmaceutical research and development, PRC
BeiGene Germany GmbH	Germany	EUR25,000	100%	Medical, pharmaceutical research and development and commercialization, Germany

1. DESCRIPTION OF BUSINESS, BASIS OF PRESENTATION AND CONSOLIDATION AND SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Description of business *(Continued)*

Name of Company	Place of Incorporation	Particulars of issued/paid-in capital	Percentage of Ownership by the Company	Principal Activities and Place of Operation
BeiGene (Hong Kong) Co., Limited ("BeiGene HK")	Hong Kong, China	HKD1 and RMB13,700,000,000	100%	Investment holding, Hong Kong, China
Beijing Innerway Bio-tech Co., Ltd. ("Innerway")	PRC*	USD4,000,000	100%	Holding property for company operations, PRC
BeiGene International GmbH	Switzerland	CHF20,000	100%	Medical, pharmaceutical research and development and commercialization, Switzerland
BeiGene (Italy) S.r.l.	Italy	EUR10,000	100%	Medical, pharmaceutical research and development and commercialization, Italy
BeiGene Brasil Ltda.	Brazil	BRL2,450,190	100%	Medical, pharmaceutical research and development and commercialization, Brazil
BeiGene Malaysia Sdn. Bhd.	Malaysia	–	100%	Medical, pharmaceutical research and development and commercialization, Malaysia
BeiGene Poland sp. z o.o.	Poland	PLN5,000	100%	Medical, pharmaceutical research and development and commercialization, Poland
BeiGene South Africa Pty Ltd.	South Africa	–	100%	Medical, pharmaceutical research and development and commercialization, South Africa
BeiGene Sweden AB	Sweden	SEK25,000	100%	Medical, pharmaceutical research and development and commercialization, Sweden
BeiGene Turkey Medical Products Trade Limited Company	Turkey	TRY10,000	100%	Medical, pharmaceutical research and development and commercialization, Turkey
BeiGene Ireland Limited ("BeiGene Ireland")	Republic of Ireland	–	100%	Medical, pharmaceutical research and development and commercialization, Republic of Ireland
BeiGene Japan, Ltd.	Japan	JPY1,781,660	100%	Medical, pharmaceutical research and development and commercialization, Japan

1. DESCRIPTION OF BUSINESS, BASIS OF PRESENTATION AND CONSOLIDATION AND SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Description of business *(Continued)*

Name of Company	Place of Incorporation	Particulars of issued/paid-in capital	Percentage of Ownership by the Company	Principal Activities and Place of Operation
BeiGene Korea Y.H.	South Korea	KRW145,000,000	100%	Medical, pharmaceutical research and development and commercialization, South Korea
BeiGene Netherlands B.V.	Netherlands	–	100%	Medical, pharmaceutical research and development and commercialization, Netherlands
BeiGene NZ Unlimited	New Zealand	NZD100,000	100%	Medical, pharmaceutical research and development and commercialization, New Zealand
BeiGene Pharmaceuticals GmbH	Switzerland	CHF20,000	100%	Medical, pharmaceutical research and development and commercialization, Switzerland
BeiGene Pharmaceuticals (Guangzhou) Co., Ltd. ("BeiGene Pharmaceutical (Guangzhou)")	PRC*	RMB3,800,000	100%	Drug commercialization, PRC
BeiGene Pharmaceuticals Israel Ltd.	Israel	ILS10,000	100%	Medical, pharmaceutical research and development and commercialization, Israel
SuGene Pharmaceuticals (Suzhou) Co., Ltd.	PRC*	RMB7,000,000	100%	Drug commercialization, PRC
BeiGene Pharmaceutical (Shanghai) Co., Ltd. ("BeiGene Pharmaceutical (Shanghai)")	PRC*	USD1,000,000	100%	Drug commercialization, PRC
BeiGene Shanghai	Cayman Islands	–	100%	Investment holding, Cayman Islands
BeiGene Shanghai 101	Cayman Islands	–	100%	Investment holding, Cayman Islands
BeiGene Shanghai Asset Limited	Hong Kong, China	–	100%	Investment holding, Hong Kong, China
BeiGene (Shanghai) Co., Ltd. ("BeiGene Shanghai")	PRC*	RMB1,434,344,311	100%	Medical and pharmaceutical research and development, PRC
BeiGene (Shanghai) Development Co., Ltd.	PRC*	–	100%	No substantial business activities, holding property for company operations, PRC

1. DESCRIPTION OF BUSINESS, BASIS OF PRESENTATION AND CONSOLIDATION AND SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Description of business *(Continued)*

Name of Company	Place of Incorporation	Particulars of issued/paid-in capital	Percentage of Ownership by the Company	Principal Activities and Place of Operation
BeiGene (Shanghai) Management Consulting Co., Ltd.	PRC*	RMB1,000,000	100%	Business management and consulting, PRC
BeiGene (Shanghai) Research & Development Co., Ltd.	PRC*	RMB270,000,000	100%	Medical and pharmaceutical research and development, PRC
BeiGene Singapore Pte. Ltd.	Singapore	SGD1	100%	Medical, pharmaceutical research and development and commercialization, Singapore
BeiGene (Suzhou) Co., Ltd. ("BeiGene Suzhou")	PRC*	RMB3,673,218,389	100%	Medical and pharmaceutical research and manufacturing and commercialization, PRC
BeiGene Switzerland GmbH ("BeiGene Switzerland")	Switzerland	CHF20,000	100%	Medical, pharmaceutical research and development and commercialization, Switzerland
BeiGene (Taiwan) Limited	Taiwan, China	TWD168,000,000	100%	Medical, pharmaceutical research and development and commercialization, Taiwan, China
BeiGene (Thailand) Ltd.	Thailand	THB5,000,000	100%	Medical, pharmaceutical research and development and commercialization, Thailand
BeiGene UK, Ltd. ("BeiGene UK")	United Kingdom	GBP23,956,065	100%	Medical, pharmaceutical research and development and commercialization, United Kingdom
BeiGene United Kingdom, Ltd.	United Kingdom	GBP 110	100%	Investment holding, United Kingdom
BeiGene USA, Inc.("BeiGene USA")	Delaware, United States	USD1	100%	Medical, pharmaceutical research and development and commercialization, U.S.
BeiGene US Holdings, LLC	Delaware, United States	USD318,100,000	100%	Investment holding, U.S.
BeiGene US Manufacturing Co., Inc.	Delaware, United States	USD474,100,000	100%	Medical and pharmaceutical research and development and manufacturing. U.S.

1. DESCRIPTION OF BUSINESS, BASIS OF PRESENTATION AND CONSOLIDATION AND SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Description of business *(Continued)*

Name of Company	Place of Incorporation	Particulars of issued/paid-in capital	Percentage of Ownership by the Company	Principal Activities and Place of Operation
BeiGene Hopewell Urban Renewal, LLC	New Jersey, United States	USD399,943,128	100%	Medical and pharmaceutical research and development and manufacturing. U.S.
Pi Health Aus Pty Ltd	Australia	–	100%	Health technology research and development, Australia
Pi Health, Ltd.	Cayman Islands	USD30,500,000	100%	Health technology research and development, Cayman Islands
Pi Health USA, LLC	Delaware, United States	USD8,500,000	100%	Health technology research and development, U.S.
Pi Health Brasil Consultoria Ltda.	Brazil	BRL1,299,275	100%	Investment holding and business management and consulting, Brazil
Pi Health Hong Kong Limited	Hong Kong, China	–	100%	Investment holding, Hong Kong, China
B10 Health Technologies Private Limited	India	INR370,344,475	100%	Health technology research and development, India
Newco 101	Cayman Islands	–	100%	No substantial business activities, Cayman Islands

* Limited liability company established in PRC

1. DESCRIPTION OF BUSINESS, BASIS OF PRESENTATION AND CONSOLIDATION AND SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Basis of presentation and consolidation

The accompanying condensed consolidated balance sheet as of June 30, 2023, the condensed consolidated statements of operations and comprehensive loss for the six months ended June 30, 2023 and 2022, the condensed consolidated statements of cash flows for the six months ended June 30, 2023 and 2022, and the condensed consolidated statements of shareholders' equity for the six months ended June 30, 2023 and 2022, and the related footnote disclosures are unaudited. The accompanying unaudited interim condensed financial statements were prepared in accordance with U.S. generally accepted accounting principles ("U.S. GAAP"), including guidance with respect to interim financial information and in conformity with the instructions to Form 10-Q and Article 10 of Regulation S-X and the disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time (the "HK Listing Rules"). Accordingly, they do not include all of the information and footnotes required by U.S. GAAP for annual financial statements. These financial statements should be read in conjunction with the consolidated financial statements and related footnotes included in the Company's HK Annual Report and Annual Report on Form 10-K for the year ended December 31, 2022 (the "Annual Report").

The unaudited interim condensed consolidated interim financial statements have been prepared on the same basis as the annual financial statements and, in the opinion of management, reflect all normal recurring adjustments, necessary to present a fair statement of the results for the interim periods presented. Results of operations for the six months ended June 30, 2023 are not necessarily indicative of the results expected for the full fiscal year or for any future annual or interim period.

The unaudited interim condensed consolidated financial statements include the financial statements of the Company and its subsidiaries. All significant intercompany transactions and balances between the Company and its subsidiaries are eliminated upon consolidation.

Use of estimates

The preparation of the consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Areas where management uses subjective judgment include, but are not limited to, estimating the useful lives of long-lived assets, estimating variable consideration in product sales and collaboration revenue arrangements, identifying separate accounting units and determining the standalone selling price of each performance obligation in the Company's revenue arrangements, assessing the impairment of long-lived assets, valuation and recognition of share-based compensation expenses, realizability of deferred tax assets, estimating uncertain tax positions, valuation of inventory, estimating the allowance for credit losses, determining defined benefit pension plan obligations, measurement of right-of-use assets and lease liabilities and the fair value of financial instruments. Management bases the estimates on historical experience, known trends and various other assumptions that are believed to be reasonable, the results of which form the basis for making judgments about the carrying values of assets and liabilities and reported amounts of revenues and expenses. Actual results could differ from these estimates.

1. DESCRIPTION OF BUSINESS, BASIS OF PRESENTATION AND CONSOLIDATION AND SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Revision of prior period financial statements

The Company evaluates the recoverability of its deferred tax assets on a jurisdiction-by-jurisdiction basis by assessing the adequacy of future expected taxable income from all sources, including reversal of temporary differences, forecasted operating earnings and available tax planning strategies in accordance with ASC 740. This assessment is subject to a high degree of subjectivity, as the sources of income rely heavily on estimates that are based on a number of factors, including historical experience and short-range and long-range business forecasts. A valuation allowance is provided when the Company determines that it is more-likely-than-not that some portion or all of a deferred tax asset will not be realized.

Prior to the third quarter of 2022, the Company determined that the majority of its net deferred tax assets (primarily in the U.S.) were realizable on a more-likely-than-not basis, primarily due to cumulative pre-tax income at the taxpaying entity and the weighting of available positive and negative evidence. Accordingly, no valuation allowance was previously recorded related to those deferred tax assets. In October 2022, in connection with the preparation of its condensed consolidated financial statements for the three and nine months ended September 30, 2022, the Company reassessed its position on the realizability of its net deferred tax assets and determined that the negative evidence associated with cumulative losses at the consolidated financial statement level are not able to be overcome by other positive evidence, and therefore, a valuation allowance should be applied to its net deferred tax asset balance. The Company determined the previous conclusion to not apply a valuation allowance to certain net deferred tax assets was an error.

In accordance with Staff Accounting Bulletin (SAB) No. 99, "Materiality," and SAB No. 108, "Considering the Effects of Prior Year Misstatements when Quantifying Misstatements in Current Year Financial Statements," the Company evaluated the error and determined that the related impact was not material to any of its previously issued financial statements, but that correcting the cumulative impact of the error would be significant to its statements of operations for the three and nine months ended September 30, 2022. Accordingly, the Company has revised the six months ended June 30, 2022 condensed consolidated financial statements and related notes included herein to record a valuation allowance against the Company's net deferred tax asset balance for all periods presented. A summary of revisions to previously reported financial statements is presented in Note 2, *Revision of Prior Period Financial Statements.* Note 10, *Income Taxes* and Note 16, *Loss Per Share* have been updated to reflect the revision. The Company will also correct previously reported financial information for this error in its future filings, as applicable.

1. DESCRIPTION OF BUSINESS, BASIS OF PRESENTATION AND CONSOLIDATION AND SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Revision of prior period financial statements *(Continued)*

Recent accounting pronouncements

New accounting standards which have not yet been adopted

In March 2023, the FASB issued ASU 2023-01, *Leases (Topic 842): Common Control Arrangements*. This update requires leasehold improvements associated with common control leases be amortized by the lessee over the useful life of the leasehold improvements to the common control group (regardless of the lease term) as long as the lessee controls the use of the underlying asset (the leased asset) through a lease. However, if the lessor obtained the right to control the use of the underlying asset through a lease with another entity not within the same common control group, the amortization period may not exceed the amortization period of the common control group. Further, leasehold improvements associated with common control leases be accounted for as a transfer between entities under common control through an adjustment to equity if, and when, the lessee no longer controls the use of the underlying asset. Those leasehold improvements are subject to the impairment guidance in *Topic 360, Property, Plant, and Equipment*. This update is effective for annual periods beginning after December 15, 2023, and early application is permitted. This guidance should be applied either (i) prospectively to all new leasehold improvements recognized on or after the date of initial application; (ii) prospectively to all new and existing leasehold improvements recognized on or after the date of initial application, with any remaining unamortized balance of existing leasehold improvements amortized over their remaining useful life to the common control group determined at that date; or (iii) retrospectively to the beginning of the period in which the entity first applied Topic 842, with any leasehold improvements that otherwise would not have been amortized or impaired recognized through a cumulative-effect adjustment to the opening balance of retained earnings at the beginning of the earliest period presented in accordance with Topic 842. The Company does not expect the adoption of this guidance to have a material impact on the Company's consolidated financial statements.

Significant accounting policies

For a more complete discussion of the Company's significant accounting policies and other information, the unaudited interim condensed consolidated financial statements and notes thereto should be read in conjunction with the consolidated financial statements included in the Company's Annual Report for the year ended December 31, 2022.

There have been no material changes to the Company's significant accounting policies as of and for the six months ended June 30, 2023, as compared to the significant accounting policies described in the Annual Report.

2. REVISION OF PRIOR PERIOD FINANCIAL STATEMENTS

As discussed in Note 1, the Company revised certain prior period financial statements to correct an error related to the valuation of net deferred tax assets, the impact of which was immaterial to its previously filed financial statements for the six months ended June 30, 2022 (See Note 1). Specifically, a valuation allowance should have been recorded on all net deferred tax assets and such a valuation allowance was not previously recorded. A summary of revisions to the Company's previously reported financial statements for the comparative periods presented within this interim report is presented below.

Condensed Consolidated Statements of Operations (unaudited)

	Six Months Ended June 30, 2022		
	As Reported	Adjustments	As Revised
	US$'000	US$'000	US$'000
Income tax expense	26,889	(4,799)	22,090
Net loss	(1,005,723)	4,799	(1,000,924)
Net loss per share (in US$)	(0.75)	–	(0.75)
Net loss per ADS (in US$)	(9.80)	0.05	(9.75)

Condensed Consolidated Statements of Comprehensive Loss (unaudited)

	Six Months Ended June 30, 2022		
	As Reported	Adjustments	As Revised
	US$'000	US$'000	US$'000
Net loss	(1,005,723)	4,799	(1,000,924)
Comprehensive loss	(1,106,123)	4,799	(1,101,324)

Condensed Consolidated Statement of Cash Flows (unaudited)

	Six Months Ended June 30, 2022		
	As Reported	Adjustments	As Revised
	US$'000	US$'000	US$'000
Operating activities:			
Net loss	(1,005,723)	4,799	(1,000,924)
Adjustments to reconcile net loss to net cash used in operating activities:			
Deferred income tax benefits	7,550	(6,995)	555
Changes in operating assets and liabilities:			
Other assets	32,315	20	32,335
Accrued expenses and other payables	19,525	1,643	21,168
Other liabilities	(2,114)	533	(1,581)
Net cash used in operating activities	(616,522)	–	(616,522)

2. REVISION OF PRIOR PERIOD FINANCIAL STATEMENTS *(Continued)*

Condensed Consolidated Statement of Stockholders' Equity (unaudited)

	Accumulated Deficit			Total Equity		
	As Reported	Adjustments	As Revised	As Reported	Adjustments	As Revised
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Balance at December 31, 2021	(4,966,103)	(110,424)	(5,076,527)	6,242,987	(110,424)	6,132,563
Net loss	(1,005,723)	4,799	(1,000,924)	(1,005,723)	4,799	(1,000,924)
Balance at June 30, 2022	(5,971,826)	(105,625)	(6,077,451)	5,302,544	(105,625)	5,196,919

3. FAIR VALUE MEASUREMENTS

The Company measures certain financial assets and liabilities at fair value. Fair value is determined based upon the exit price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants, as determined by either the principal market or the most advantageous market. Inputs used in the valuation techniques to derive fair values are classified based on a three-level hierarchy, as follows:

Level 1 – Observable inputs that reflect quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2 – Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets with insufficient volume or infrequent transactions (less active markets); or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the asset or liability.

The Company considers an active market to be one in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis, and considers an inactive market to be one in which there are infrequent or few transactions for the asset or liability, the prices are not current, or price quotations vary substantially either over time or among market makers.

3. FAIR VALUE MEASUREMENTS *(Continued)*

The following tables present the Company's financial assets and liabilities measured and recorded at fair value on a recurring basis using the above input categories as of June 30, 2023 and December 31, 2022:

As of June 30, 2023	Quoted Price in Active Market for Identical Assets (Level 1) US$'000	Significant Other Observable Inputs (Level 2) US$'000	Significant Unobservable Inputs (Level 3) US$'000
Cash equivalents			
Money market funds	847,781	–	–
Short-term investments (Note 5):			
U.S. Treasury securities	105,693	–	–
Prepaid expenses and other current assets (Note 5):			
Convertible debt instrument	–	–	5,190
Other non-current assets (Note 5):			
Equity securities with readily determinable fair values	2,300	1,077	–
Convertible debt instrument	–	–	3,000
Total	955,774	1,077	8,190

As of December 31, 2022	Quoted Price in Active Market for Identical Assets (Level 1) US$'000	Significant Other Observable Inputs (Level 2) US$'000	Significant Unobservable Inputs (Level 3) US$'000
Cash equivalents			
Money market funds	758,114	–	–
Short-term investments (Note 5):			
U.S. Treasury securities	665,251	–	–
Prepaid expenses and other current assets (Note 5):			
Convertible debt instrument	–	–	5,190
Other non-current assets (Note 5):			
Equity securities with readily determinable fair values	3,307	706	–
Convertible debt instrument	–	–	3,000
Total	1,426,672	706	8,190

3. FAIR VALUE MEASUREMENTS *(Continued)*

The Company's cash equivalents are highly liquid investments with original maturities of 3 months or less. Short-term investments represent the Company's investments in available-for-sale debt securities. The Company determines the fair value of cash equivalents and available-for-sale debt securities using a market approach based on quoted prices in active markets.

The Company's equity securities carried at fair value consist of holdings in common stock and warrants to purchase additional shares of common stock of Leap Therapeutics, Inc. ("Leap"), which were acquired in connection with a collaboration and license agreement entered into in January 2020 and in Leap's underwritten public offering in September 2021. The common stock investment in Leap, a publicly-traded biotechnology company, is measured and carried at fair value and classified as Level 1. The warrants to purchase additional shares of common stock in Leap are classified as a Level 2 investment and are measured using the Black-Scholes option-pricing valuation model, which utilizes a constant maturity risk-free rate and reflects the term of the warrants, dividend yield and stock price volatility, that is based on the historical volatility of similar companies. Refer to Note 5, Restricted Cash and Investments for details of the determination of the carrying amount of private equity investments without readily determinable fair values and equity method investments.

The Company holds convertible notes issued by two private biotech companies. The Company has elected the fair value option method of accounting for the convertible notes. Accordingly, the convertible notes are remeasured at fair value on a recurring basis using Level 3 inputs, with any changes in the fair value option recorded in other income, net.

As of June 30, 2023 and December 31, 2022, the fair values of cash and cash equivalents, restricted cash, accounts receivable, accounts payable, and short-term debt approximated their carrying values due to their short-term nature. Long-term bank loans approximate their fair value due to the fact that the related interest rates approximate the rates currently offered by financial institutions for similar debt instrument of comparable maturities.

4. COLLABORATIVE AND LICENSING ARRANGEMENTS

The Company has entered into collaborative arrangements for the research and development, manufacture and/or commercialization of medicines and drug candidates. To date, these collaborative arrangements have included out-licenses of and options to out-license internally developed products and drug candidates to other parties, in-licenses of products and drug candidates from other parties, and profit – and cost-sharing arrangements. These arrangements may include non-refundable upfront payments, contingent obligations for potential development, regulatory and commercial performance milestone payments, cost-sharing and reimbursement arrangements, royalty payments, and profit sharing.

Out-Licensing Arrangements

For the six months ended June 30, 2023 and 2022, the Company's collaboration revenue primarily consisted of research and development services revenue and right to access intellectual property revenue from its collaboration agreements with Novartis for tislelizumab and ociperlimab.

The following table summarizes total collaboration revenue recognized for the six months ended June 30, 2023 and 2022:

	Six Months Ended June 30,	
	2023	2022
Revenue from Collaborators	**US$'000**	US$'000
Research and development service revenue	**20,380**	24,240
Right to access intellectual property revenue	**52,497**	52,497
Other	**6,149**	5,377
Total	**79,026**	82,114

Novartis

Tislelizumab Collaboration and License

In January 2021, the Company entered into a collaboration and license agreement with Novartis, granting Novartis rights to develop, manufacture and commercialize tislelizumab in North America, Europe, and Japan ("Novartis Territory"). The Company and Novartis have agreed to jointly develop tislelizumab in these licensed countries, with Novartis responsible for regulatory submissions after a transition period and for commercialization upon regulatory approvals. In addition, both companies may conduct clinical trials globally to explore combinations of tislelizumab with other cancer treatments, and the Company has an option to co-detail the product in North America, funded in part by Novartis.

4. COLLABORATIVE AND LICENSING ARRANGEMENTS *(Continued)*

Novartis *(Continued)*

Tislelizumab Collaboration and License (Continued)

Under the agreement the Company received an upfront cash payment of US$650,000,000 from Novartis. The Company is eligible to receive up to US$1,300,000,000 upon the achievement of regulatory milestones, US$250,000,000 upon the achievement of sales milestones, and royalties on future sales of tislelizumab in the licensed territory. Under the terms of the agreement, the Company is responsible for funding ongoing clinical trials of tislelizumab, Novartis has agreed to fund new registrational, bridging, or post-marketing studies in its territory, and each party will be responsible for funding clinical trials evaluating tislelizumab in combination with its own or third party products. Each party retains the worldwide right to commercialize its propriety products in combination with tislelizumab.

The Company evaluated the Novartis agreement under ASC 606 as all the material units of account within the agreement represented transactions with a customer. The Company identified the following material components under the agreement: (1) exclusive license for Novartis to develop, manufacture, and commercialize tislelizumab in the Novartis Territory, transfer of know-how and use of the tislelizumab trademark; (2) conducting and completing ongoing trials of tislelizumab ("tislelizumab R&D services"); and (3) supplying Novartis with required quantities of the tislelizumab drug product, or drug substance, upon receipt of an order from Novartis.

The Company determined that the license, transfer of know-how and use of trademarks are not distinct from each other and represent a single performance obligation. The tislelizumab R&D services represent a material promise and were determined to be a separate performance obligation at the outset of the agreement as the promise is distinct and has standalone value to Novartis. The Company evaluated the supply component of the contract and noted the supply will not be provided at a significant incremental discount to Novartis. The Company concluded that, for the purpose of ASC 606, the provision related to providing clinical and commercial supply of tislelizumab in the Novartis Territory was an option but not a performance obligation of the Company at the outset of the Novartis collaboration agreement. A performance obligation for the clinical and commercial supply will be established as quantities of drug product or drug substance are ordered by Novartis.

4. COLLABORATIVE AND LICENSING ARRANGEMENTS *(Continued)*

Novartis *(Continued)*

Tislelizumab Collaboration and License (Continued)

The Company determined that the transaction price as of the outset of the arrangement was the upfront payment of US$650,000,000. The potential milestone payments that the Company is eligible to receive were excluded from the transaction price, as all milestone amounts were fully constrained due to uncertainty of achievement. The transaction price was allocated to the two identified performance obligations based on a relative fair value basis. The standalone selling price of the license, transfer of know-how and use of trademarks performance obligation was determined using the adjusted market assessment approach. Based on the valuation performed by the Company, the standalone selling price of the license, transfer of know-how and use of trademarks was valued at US$1,231,000,000. The standalone selling price of the tislelizumab R&D services was valued at US$420,000,000 using a cost plus margin valuation approach. Based on the relative standalone selling prices of the two performance obligations, US$484,646,000 of the total transaction price was allocated to the license and US$165,354,000 was allocated to the tislelizumab R&D services.

The Company satisfied the license performance obligation at a point in time when the license was delivered and the transfer of know-how completed which occurred during the six months ended June 30, 2021. As such, the Company recognized the entire amount of the transaction price allocated to the license as collaboration revenue during the six months ended June 30, 2021. The portion of the transaction price allocated to the tislelizumab R&D services was deferred and is being recognized as collaboration revenue as the tislelizumab R&D services are performed using a percentage-of-completion method. Estimated costs to complete are reassessed on a periodic basis and any updates to the revenue earned are recognized on a prospective basis. The Company recognized R&D service revenue of US$16,796,000 during the six months ended June 30, 2023, and US$20,656,000 during the six months ended June 30, 2022. The Company also recognized other collaboration revenue of US$5,013,000 during the six months ended June 30, 2023, and US$5,377,000 during the six months ended June 30, 2022, related to the sale of tislelizumab clinical supply to Novartis in conjunction with the collaboration.

4. COLLABORATIVE AND LICENSING ARRANGEMENTS *(Continued)*

Novartis *(Continued)*

Ociperlimab Option, Collaboration and License Agreement and China Broad Market Development Agreement

In December 2021, the Company expanded its collaboration with Novartis by entering into an option, collaboration and license agreement with Novartis to develop, manufacture and commercialize the Company's investigational TIGIT inhibitor ociperlimab in the Novartis Territory. In addition, the Company and Novartis entered into an agreement granting the Company rights to market, promote and detail five approved Novartis oncology products, TAFINLAR® (dabrafenib), MEKINIST® (trametinib), VOTRIENT® (pazopanib), AFINITOR® (everolimus), and ZYKADIA® (ceritinib), across designated regions of China referred to as "broad markets." In the first quarter of 2022, the Company initiated marketing and promotion of these five products.

Under the terms of the option, collaboration and license agreement, the Company received an upfront cash payment of US$300,000,000 in January 2022 from Novartis and would have received an additional payment of US$600,000,000 or US$700,000,000 in the event Novartis exercised its exclusive time-based option prior to mid-2023 or between then and late-2023, respectively. Following option exercise, the Company is eligible to receive up to US$745,000,000 upon the achievement of regulatory approval milestones, US$1,150,000,000 upon the achievement of sales milestones, and royalties on future sales of ociperlimab in the Novartis Territory. Subject to the terms of the option, collaboration and license agreement, during the option period, Novartis has agreed to initiate and fund additional global clinical trials with ociperlimab and the Company has agreed to expand enrollment in two ongoing trials. Following the option exercise, Novartis has agreed to share development costs of global trials. Following approval, the Company has agreed to provide 50 percent of the co-detailing and co-field medical efforts in the United States, and has an option to co-detail up to 25 percent in Canada and Mexico, funded in part by Novartis. Each party retains the worldwide right to commercialize its propriety products in combination with ociperlimab, as is the case with tislelizumab under the tislelizumab collaboration and license agreement. The existing tislelizumab collaboration and license agreement was not modified as a result of the ociperlimab option, collaboration and license agreement.

The Company evaluated the Novartis agreements under ASC 606 as the units of account within the agreement represented transactions with a customer. The Company identified the following material promises under the agreement: (1) exclusive option for Novartis to license the rights to develop, manufacture, and commercialize ociperlimab in the Novartis Territory; (2) Novartis' right to access ociperlimab in its own clinical trials during the option period; (3) initial transfer of BeiGene know-how; and (4) conducting and completing ongoing trials of ociperlimab during the option period ("ociperlimab R&D Services", together with "tislelizumab R&D services", "R&D services"). The market development activities are considered immaterial in the context of the contracts.

4. COLLABORATIVE AND LICENSING ARRANGEMENTS *(Continued)*

Novartis *(Continued)*

Ociperlimab Option, Collaboration and License Agreement and China Broad Market Development Agreement (Continued)

The Company concluded that, at the inception of the agreement, the option for the exclusive product license constitutes a material right as it represents a significant and incremental discount to the fair value of the exclusive product license that Novartis would not have received without entering into the agreement and is therefore considered a distinct performance obligation. The Company determined that Novartis' right to access ociperlimab in its own trials over the option period and the initial transfer of know-how were not distinct from each other, as the right to access ociperlimab has limited value without the corresponding know-how transfer, and therefore should be combined into one distinct performance obligation. The ociperlimab R&D Services represent a material promise and were determined to be a separate performance obligation at the outset of the agreement as the promise is distinct and has standalone value to Novartis.

The Company determined the transaction price at the outset of the arrangement as the upfront payment of US$300,000,000. The option exercise fee is contingent upon Novartis exercising its right and is considered fully constrained until the option is exercised. Additionally, the milestone and royalty payments are not applicable until after the option is exercised, at which point the likelihood of meeting milestones, regulatory approval and meeting certain sales thresholds will be assessed. The transaction price was allocated to the three identified performance obligations based on a relative fair value basis. The standalone selling price of the material right for the option to the exclusive product license was calculated as the incremental discount between (i) the value of the license determined using a discounted cash flow method adjusted for probability of the option being exercised and (ii) the expected option exercise fee using the most-likely-amount method at option exercise. The standalone selling price of the combined performance obligation for Novartis' right to access ociperlimab for its own clinical trials during the option period and the initial transfer of BeiGene know-how was determined using a discounted cash flow method. The standalone selling price of the ociperlimab R&D Services was determined using an expected cost plus margin approach. Based on the relative standalone selling prices of the three performance obligations, US$71,980,000 of the total transaction price was allocated to the material right, US$213,450,000 was allocated to Novartis' right to use ociperlimab in its own clinical trials during the option period and the transfer of BeiGene know-how, and US$14,570,000 was allocated to the ociperlimab R&D Services.

4. COLLABORATIVE AND LICENSING ARRANGEMENTS *(Continued)*

Novartis *(Continued)*

Ociperlimab Option, Collaboration and License Agreement and China Broad Market Development Agreement (Continued)

The Company will satisfy the material right performance obligation at a point in time at the earlier of when Novartis exercises the option and the license is delivered or the expiration of the option period. As such, the entire amount of the transaction price allocated to the material right was deferred. The portion of the transaction price allocated to Novartis' right to access ociperlimab in its own clinical trials during the option period and the initial transfer of BeiGene know-how was deferred and is being recognized over the expected option period. The portion of the transaction price allocated to the ociperlimab R&D Services was deferred and is being recognized as collaboration revenue as the ociperlimab R&D Services are performed over the expected option period. The Company recognized collaboration revenue of US$52,497,000 related to Novartis right to access ociperlimab in clinical trials and the transfer of know how performance obligation during six months ended June 30, 2023, and US$52,497,000 during the six months ended June 30, 2022. The Company recognized R&D service revenue of US$3,583,000 during the six months ended June 30, 2023, and US$3,584,000 during the six months ended June 30, 2022. The Company also recognized other collaboration revenue of US$2,636,000 related primarily to revenue generated under the broad markets marketing and promotion agreement in conjunction with the collaboration during the six months ended June 30, 2023.

In July 2023, the Company entered into a Mutual Termination and Release Agreement (the "Termination Agreement") to mutually terminate the ociperlimab option, collaboration and license agreement with Novartis, effective immediately. Pursuant to the Termination Agreement, the Company regained full, global rights to develop, manufacture and commercialize ociperlimab.

In-Licensing Arrangements

Amgen

In October 2019, the Company entered into a global strategic oncology collaboration with Amgen ("Amgen Collaboration Agreement") for the commercialization and development in China, excluding Hong Kong, Taiwan and Macau, of Amgen's XGEVA®, KYPROLIS® and BLINCYTO®, and the joint global development of a portfolio of oncology assets in Amgen's pipeline, with BeiGene responsible for development and commercialization in China. The agreement became effective on January 2, 2020, following approval by the Company's shareholders and satisfaction of other closing conditions.

4. COLLABORATIVE AND LICENSING ARRANGEMENTS *(Continued)*

In-Licensing Arrangements *(Continued)*

Amgen (Continued)

Under the agreement, the Company is responsible for the commercialization of XGEVA, KYPROLIS and BLINCYTO in China for five or seven years. Amgen is responsible for manufacturing the products globally and will supply the products to the Company at an agreed upon price. The Company and Amgen will share equally in the China commercial profits and losses during the commercialization period. Following the commercialization period, the Company has the right to retain one product and is entitled to receive royalties on sales in China for an additional five years on the products not retained. XGEVA was approved in China in 2019 for patients with giant cell tumor of the bone and in November 2020 for the prevention of skeletal-related events in cancer patients with bone metastases. In July 2020, the Company began commercializing XGEVA in China. In December 2020, BLINCYTO was approved in China for injection for the treatment of adult patients with relapsed or refractory (R/R) B-cell precursor acute lymphoblastic leukemia (ALL). In July 2021, KYPROLIS was conditionally approved in China for injection in combination with dexamethasone for the treatment of adult patients with R/R multiple myeloma. In April 2022, BLINCYTO was conditionally approved for injection for the treatment of pediatric patients with R/R CD19-positive B-cell precursor ALL.

Amgen and the Company are also jointly developing a portfolio of Amgen oncology pipeline assets under the collaboration. The Company is responsible for conducting clinical development activities in China and co-funding global development costs by contributing cash and development services up to a total cap of US$1,250,000,000. Amgen is responsible for all development, regulatory and commercial activities outside of China. For each pipeline asset that is approved in China, the Company will receive commercial rights for seven years from approval. The Company has the right to retain approximately one out of every three approved pipeline assets, other than LUMAKRAS® (sotorasib), Amgen's KRAS G12C inhibitor, for commercialization in China. The Company and Amgen will share equally in the China commercial profits and losses during the commercialization period. The Company is entitled to receive royalties from sales in China for pipeline assets returned to Amgen for five years after the seven-year commercialization period. The Company is also entitled to receive royalties from global sales of each product outside of China (with the exception of LUMAKRAS).

On April 20, 2022, the parties entered into the First Amendment to Amgen Collaboration Agreement, which amends certain terms and conditions relating to the financial responsibilities of the parties in connections with the development and commercialization of certain Amgen proprietary products for the treatment of oncology-related diseases and conditions. In connection with the Company's ongoing assessment of the Amgen Collaboration Agreement cost-share contributions, the Company determined that further investment in the development of LUMAKRAS was no longer commercially viable for BeiGene. As a result, in February 2023, the Company and Amgen entered into the Second Amendment to the Amgen Collaboration Agreement to (i) stop sharing costs with Amgen for the further development of LUMAKRAS during the period starting January 1, 2023 and ending August 31, 2023; and (ii) cooperate in good faith to prepare a transition plan with the anticipated termination of LUMAKRAS from the Amgen Collaboration Agreement.

4. COLLABORATIVE AND LICENSING ARRANGEMENTS *(Continued)*

In-Licensing Arrangements *(Continued)*

Amgen (Continued)

The Amgen Collaboration Agreement is within the scope of ASC 808, as both parties are active participants and are exposed to the risks and rewards dependent on the commercial success of the activities performed under the agreement. The Company is the principal for product sales to customers in China during the commercialization period and recognizes 100% of net product revenue on these sales. Amounts due to Amgen for its portion of net product sales will be recorded as cost of sales. Cost reimbursements due to or from Amgen under the profit share will be recognized as incurred and recorded to cost of sales; selling, general and administrative expense; or research and development expense, based on the underlying nature of the related activity subject to reimbursement. Costs incurred for the Company's portion of the global co-development funding are recorded to research and development expense as incurred.

In connection with the Amgen Collaboration Agreement, a Share Purchase Agreement ("Amgen SPA") was entered into by the parties in October 2019. On January 2, 2020, the closing date of the transaction, Amgen purchased 15,895,001 of the Company's ADSs for US$174.85 per ADS, representing a 20.5% ownership stake in the Company. Per the Amgen SPA, the cash proceeds shall be used as necessary to fund the Company's development obligations under the Amgen Collaboration Agreement. Pursuant to the Amgen SPA, Amgen also received the right to designate one member of the Company's board of directors, and Anthony Hooper joined the Company's board of directors as the Amgen designee in January 2020. Amgen relinquished its right to appoint a designated director to the Company's board of directors in January 2023.

In determining the fair value of the common stock at closing, the Company considered the closing price of the common stock on the closing date of the transaction and included a lack of marketability discount because the shares are subject to certain restrictions. The fair value of the shares on the closing date was determined to be US$132.74 per ADS, or US$2,109,902,000 in the aggregate. The Company determined that the premium paid by Amgen on the share purchase represents a cost share liability due to the Company's co-development obligations. The fair value of the cost share liability on the closing date was determined to be US$601,857,000 based on the Company's discounted estimated future cash flows related to the pipeline assets. The total cash proceeds of US$2,779,241,000 were allocated based on the relative fair value method, with US$2,162,407,000 recorded to equity and US$616,834,000 recorded as a research and development cost share liability. The cost share liability is being amortized proportionately as the Company contributes cash and development services to its total co-development funding cap.

4. COLLABORATIVE AND LICENSING ARRANGEMENTS *(Continued)*

In-Licensing Arrangements *(Continued)*

Amgen (Continued)

Amounts recorded related to the Company's portion of the co-development funding on the pipeline assets for the six months ended June 30, 2023 and 2022 were as follows:

	Six Months Ended June 30,	
	2023	2022
	US$'000	US$'000
Research and development expense	**23,274**	46,789
Amortization of research and development cost share liability	**22,669**	45,583
Total amount due to Amgen for BeiGene's portion of the development funding	**45,943**	92,372

	As of June 30, 2023 US$'000
Remaining portion of development funding cap	549,765

As of June 30, 2023 and December 31, 2022, the research and development cost share liability recorded in the Company's balance sheet was as follows:

	As of	
	June 30, 2023	December 31, 2022
	US$'000	US$'000
Research and development cost share liability, current portion	**62,516**	114,335
Research and development cost share liability, non-current portion	**208,775**	179,625
Total research and development cost share liability	**271,291**	293,960

4. COLLABORATIVE AND LICENSING ARRANGEMENTS *(Continued)*

In-Licensing Arrangements *(Continued)*

Amgen (Continued)

The total reimbursement due to (from) Amgen under the commercial profit-sharing agreement for product sales is classified in the income statement for the six months ended June 30, 2023 and 2022 as follows:

	Six Months Ended June 30,	
	2023	2022
	US$'000	US$'000
Cost of sales – product	**1,184**	3,478
Research and development	**1,311**	898
Selling, general and administrative	**(29,388)**	(26,642)
Total	**(26,893)**	(22,266)

The Company purchases commercial inventory from Amgen to distribute in China. Inventory purchases amounted to US$39,277,000 during the six months ended June 30, 2023, and US$30,061,000 during the six months ended June 30, 2022. Net amounts receivable from Amgen as of June 30, 2023 was US$11,069,000 and net amounts payable to Amgen as of December 31, 2022 was US$54,064,000, respectively.

5. RESTRICTED CASH AND INVESTMENTS

Restricted Cash

The Company's restricted cash balance of US$11,206,000 and US$5,473,000 as of June 30, 2023 and December 31, 2022, respectively, primarily consists of RMB-denominated cash deposits held in designated bank accounts for collateral for letters of credit. The Company classifies restricted cash as current or non-current based on the term of the restriction.

In addition to the restricted cash balances above, the Company is required by the PRC securities law to use the proceeds from the STAR Offering in strict compliance with the planned uses as disclosed in the prospectus of STAR Offering (the "STAR Prospectus") as well as those disclosed in the Company's proceeds management policy approved by the board of directors.

5. RESTRICTED CASH AND INVESTMENTS *(Continued)*

Short-Term Investments

Short-term investments as of June 30, 2023 consisted of the following available-for-sale debt securities:

	Amortized Cost US$'000	Gross Unrealized Gains US$'000	Gross Unrealized Losses US$'000	Fair Value (Net Carrying Amount) US$'000
U.S. Treasury securities	107,802	–	2,109	105,693
Total	107,802	–	2,109	105,693

Short-term investments as of December 31, 2022 consisted of the following available-for-sale debt securities:

	Amortized Cost US$'000	Gross Unrealized Gains US$'000	Gross Unrealized Losses US$'000	Fair Value (Net Carrying Amount) US$'000
U.S. Treasury securities	674,262	–	9,011	665,251
Total	674,262	–	9,011	665,251

As of June 30, 2023, the Company's available-for-sale debt securities consisted entirely of short-term U.S. treasury securities, which were determined to have zero risk of expected credit loss. Accordingly, no allowance for credit loss was recorded as of June 30, 2023.

5. RESTRICTED CASH AND INVESTMENTS *(Continued)*

Equity Securities with Readily Determinable Fair Values

Leap Therapeutics, Inc. (Leap)

In January 2020, the Company purchased US$5,000,000 of Series B mandatorily convertible, non-voting preferred stock of Leap in connection with a strategic collaboration and license agreement the Company entered into with Leap. The Series B shares were subsequently converted into shares of Leap common stock and warrants to purchase additional shares of common stock upon approval of Leap's shareholders in March 2020. In September 2021, the Company purchased US$7,250,000 of common stock in Leap's underwritten public offering. As of June 30, 2023, the Company's ownership interest in the outstanding common stock of Leap was 6.2% based on information from Leap. Inclusive of the shares of common stock issuable upon the exercise of the currently exercisable warrants, the Company's interest is approximately 9.8% based on information from Leap. The Company measures the investment in the common stock and warrants at fair value, with changes in fair value recorded to other income, net. The Company recorded an unrealized loss of US$636,000 for the six months ended June 30, 2023, and an unrealized loss of US$22,661,000 for the six months ended June 30, 2022, in the consolidated statements of operations. As of June 30, 2023 and December 31, 2022, the fair value of the common stock and warrants were as follows:

	As of	
	June 30, 2023	December 31, 2022
	US$'000	US$'000
Fair value of Leap common stock	**2,300**	3,307
Fair value of Leap warrants	**1,077**	706

Private Equity Securities without Readily Determinable Fair Values

The Company invests in equity securities of certain companies whose securities are not publicly traded and fair value is not readily determinable and where the Company has concluded it does not have significant influence based on its ownership percentage and other factors. These investments are recorded at cost minus impairment, if any, plus or minus changes resulting from observable price changes in orderly transactions for the identical or a similar investment of the same issuer. The Company held investments of US$59,209,000 and US$57,054,000 in equity securities without readily determinable fair values as of June 30, 2023 and December 31, 2022, respectively. The Company recorded a gain of US$1,081,000 for the six months ended June 30, 2023, and a gain of US$366,000 for the six months ended June 30, 2022, related to observable price changes in orderly transactions for similar investments of the same issuer to other income, net in the consolidated statements of operations.

5. RESTRICTED CASH AND INVESTMENTS *(Continued)*

Equity-Method Investments

The Company records equity-method investments at cost and subsequently adjusts the basis based on the Company's ownership percentage in the investee's income and expenses, as well as dividends, if any. The Company holds equity-method investments totaling US$30,020,000 and US$27,710,000 as of June 30, 2023 and December 31, 2022, respectively, that it does not consider to be individually significant to its financial statements. The Company recorded net unrealized losses of US$2,624,000 for the six months ended June 30, 2023, and net unrealized losses of US$1,234,000 for the six months ended June 30, 2022, to other income, net in the consolidated statements of operations.

6. ACCOUNTS RECEIVABLE, NET

	As of	
	June 30, 2023	December 31, 2022
	US$'000	US$'000
Accounts receivable	**299,668**	173,379
Impairment	**(386)**	(211)
Total	**299,282**	173,168

The Company's trading terms with its customers are mainly on credit and the credit period generally ranges from 30 to 120 days. The Company seeks to maintain strict control over its outstanding receivables and overdue balances are regularly reviewed. The Company does not hold any collateral or other credit enhancements over its accounts receivable balances. Accounts receivable are non-interest-bearing. An aging analysis of the accounts receivable, based on the invoice date, is as follows:

	As of	
	June 30, 2023	December 31, 2022
	US$'000	US$'000
Within 6 months	**299,180**	172,633
6 months to 12 months	**102**	535
Total	**299,282**	173,168

6. ACCOUNTS RECEIVABLE, NET *(Continued)*

The roll-forward of the allowance for credit losses related to trade accounts receivable for the six months ended June 30, 2023 and 2022 consists of the following activity:

	Six Months Ended June 30,	
	2023	2022
	US$'000	US$'000
Balance at beginning of the period	**211**	415
Current period provision for expected credit losses	**234**	(210)
Amounts written-off	**(43)**	–
Exchange rate changes	**(16)**	3
Balance at end of the period	**386**	208

7. INVENTORIES

The Company's inventory balance consisted of the following:

	As of	
	June 30, 2023	December 31, 2022
	US$'000	US$'000
Raw materials	**109,048**	88,957
Work in process	**31,472**	20,886
Finished goods	**180,813**	172,503
Total inventories	**321,333**	282,346

8. PROPERTY, PLANT AND EQUIPMENT, NET

Property, plant and equipment, net are recorded at cost and consisted of the following:

	As of	
	June 30, 2023	December 31, 2022
	US$'000	US$'000
Land	**65,485**	65,485
Building	**214,080**	222,448
Manufacturing equipment	**172,844**	175,679
Laboratory equipment	**170,424**	158,908
Leasehold improvement	**53,366**	53,786
Software, electronics and office equipment	**72,839**	47,483
Property, plant and equipment, at cost	**749,038**	723,789
Less: accumulated depreciation	**(201,406)**	(171,470)
Construction in progress	**484,306**	293,627
Property, plant and equipment, net	**1,031,938**	845,946

In November 2021, the Company purchased a 42-acre site located in Hopewell, NJ for US$75,197,000. The total purchase price was allocated between the land and an existing building on the property based on their relative fair values. The Company is constructing a biologics manufacturing facility and research and development center on the land. As of June 30, 2023, the Company has construction in process of US$314,707,000 related to the Hopewell facility construction.

Depreciation expense was US$40,332,000 and US$30,041,000 for the six months ended June 30, 2023 and 2022, respectively.

9. INTANGIBLE ASSETS

Intangible assets as of June 30, 2023 and December 31, 2022 are summarized as follows:

	As of					
	June 30, 2023			December 31, 2022		
	Gross carrying amount US$'000	Accumulated amortization US$'000	Intangible assets, net US$'000	Gross carrying amount US$'000	Accumulated amortization US$'000	Intangible assets, net US$'000
Finite-lived intangible assets:						
Product distribution rights	7,500	(4,375)	3,125	7,500	(4,000)	3,500
Developed products	49,388	(5,618)	43,770	41,235	(4,119)	37,116
Trading license	816	(816)	–	816	(816)	–
Total finite-lived intangible assets	57,704	(10,809)	46,895	49,551	(8,935)	40,616

Product distribution rights consist of distribution rights on the approved cancer therapies licensed from Bristol-Myers Squibb Company ("BMS") as part of the BMS collaboration. The Company is amortizing the product distribution rights, as a single identified asset, over a period of 10 years from the date of acquisition. Developed products represent the post-approval milestone payments under license and commercialization agreements. The Company is amortizing the developed products over the remainder of the respective product patent or the term of the commercialization agreements. Trading license represents the Guangzhou drug distribution license acquired in September 2018. The Company amortized the drug distribution trading license over the remainder of the initial license term through February 2020. The trading license has been renewed through February 2024.

Amortization expense for developed products is included in cost of sales – product in the accompanying consolidated statements of operations. Amortization expense for product distribution rights and the trading licenses is included in operating expenses in the accompanying consolidated statements of operations.

9. INTANGIBLE ASSETS *(Continued)*

The weighted-average life for each finite-lived intangible assets is approximately 12 years. Amortization expense was as follows:

	Six Months Ended June 30,	
	2023	2022
	US$'000	US$'000
Amortization expense – Cost of sales – product	**1,639**	1,644
Amortization expense – Operating expense	**375**	376
Total	**2,014**	2,020

Estimated amortization expense for each of the five succeeding years and thereafter, as of June 30, 2023 is as follows:

Year Ending December 31,	Cost of Sales – Product US$'000	Operating Expenses US$'000	Total US$'000
2023 (remainder of year)	1,857	375	2,232
2024	3,714	750	4,464
2025	3,714	750	4,464
2026	3,714	750	4,464
2027	3,714	500	4,214
2028 and thereafter	27,057	–	27,057
Total	43,770	3,125	46,895

10. INCOME TAXES

Income tax expense was US$25,166,000 for the six months ended June 30, 2023. Income tax expense was US$22,090,000 for the six months ended June 30, 2022. The income tax expense for the six months ended June 30, 2023 and 2022 was primarily attributable to current China tax expense due to certain non-deductible expenses and current U.S. tax expense determined after other special tax deductions and research and development tax credits.

On a quarterly basis, the Company evaluates the realizability of deferred tax assets by jurisdiction and assesses the need for a valuation allowance. In assessing the realizability of deferred tax assets, the Company considers historical profitability, evaluation of scheduled reversals of deferred tax liabilities, projected future taxable income and tax-planning strategies. Valuation allowances have been provided on deferred tax assets where, based on all available evidence, it was considered more likely than not that some portion or all of the recorded deferred tax assets will not be realized in future periods. After consideration of all positive and negative evidence, as of June 30, 2023, the Company will maintain a full valuation allowance against its net deferred tax assets.

As of June 30, 2023, the Company had gross unrecognized tax benefits of US$12,524,000. The Company does not anticipate that the amount of existing unrecognized tax benefits will significantly change within the next 12 months. The Company's reserve for uncertain tax positions increased by US$969,000 in the six months ended June 30, 2023 primarily due to U.S. federal and state tax credits and incentives.

The Company has elected to record interest and penalties related to income taxes as a component of income tax expense. As of June 30, 2023 and December 31, 2022, the Company's accrued interest and penalties, where applicable, related to uncertain tax positions were not material.

The Company conducts business in a number of tax jurisdictions and, as such, is required to file income tax returns in multiple jurisdictions globally. As of June 30, 2023, Australia tax matters are open to examination for the years 2013 through 2023, China tax matters are open to examination for the years 2013 through 2023, Switzerland tax matters are open to examination for the years 2018 through 2023, and U.S. federal tax matters are open to examination for years 2015 through 2023. Various U.S. states and other non-US tax jurisdictions in which the Company files tax returns remain open to examination for 2012 through 2023.

11. SUPPLEMENTAL BALANCE SHEET INFORMATION

Prepaid expenses and other current assets consist of the following:

	As of	
	June 30, 2023	December 31, 2022
	US$'000	US$'000
Prepaid research and development costs	**72,391**	71,488
Prepaid manufacturing cost	**69,319**	58,950
Prepaid taxes	**18,485**	20,478
Other receivables	**36,866**	22,777
Interest receivable	**1,992**	3,039
Prepaid insurance	**7,593**	3,664
Short-term deposit for sale rebates	**7,198**	1,510
Other current assets	**41,206**	34,647
Total	**255,050**	216,553

Other non-current assets consist of the following:

	As of	
	June 30, 2023	December 31, 2022
	US$'000	US$'000
Goodwill	**109**	109
Prepayment of property and equipment	**13,140**	22,025
Prepaid supply cost [(1)]	**30,539**	48,642
Prepaid VAT	**1,734**	804
Rental deposits and other	**6,420**	7,054
Long-term investments	**95,607**	91,779
Total	**147,549**	170,413

(1) Represents payments for future supply purchases under the license agreement with Luye Pharma Group Ltd. and facility expansion under commercial supply agreements. The payments are providing future benefit to the Company through credits on commercial supply purchases.

11. SUPPLEMENTAL BALANCE SHEET INFORMATION *(Continued)*

Accrued expenses and other payables consist of the following:

	As of	
	June 30, 2023	December 31, 2022
	US$'000	US$'000
Compensation related	**135,719**	184,775
External research and development activities related	**91,108**	139,168
Commercial activities	**65,506**	51,806
Individual income tax and other taxes	**38,486**	18,815
Sales rebates and returns related	**85,591**	41,817
Other	**38,540**	30,971
Total	**454,950**	467,352

Other long-term liabilities consist of the following:

	As of	
	June 30, 2023	December 31, 2022
	US$'000	US$'000
Deferred government grant income	**34,865**	38,176
Pension liability	**7,996**	7,760
Other	**257**	159
Total	**43,118**	46,095

12. ACCOUNTS PAYABLE

An aging analysis of the accounts payable as of the end of the Reporting Period, based on the invoice date, is as follows:

	As of	
	June 30, 2023	December 31, 2022
	US$'000	US$'000
Within 3 months	**259,700**	290,284
3 to 6 months	**6,857**	2,570
6 months to 1 year	**270**	1,379
Over 1 year	**148**	548
Total	**266,975**	294,781

The accounts payable are non-interest-bearing and repayable within the normal operating cycle or on demand.

13. DEBT

The following table summarizes the Company's short-term and long-term debt obligations as of June 30, 2023 and December 31, 2022:

Lender	Agreement Date	Line of Credit US$'000/ RMB'000	Term	Maturity Date	Interest Rate	As of June 30, 2023		As of December 31, 2022	
						US$'000	RMB'000	US$'000	RMB'000
China Construction Bank	April 4, 2018	RMB580,000	9-year	April 4, 2027	(1)	10,343	75,000	7,250	50,000
China Merchants Bank	January 22, 2020	(2)	9-year	January 20, 2029	(2)	5,024	36,429	1,450	10,000
China Merchants Bank	November 9, 2020	RMB378,000	9-year	November 8, 2029	(3)	5,516	40,000	5,437	37,500
China Minsheng Bank (the "Senior Loan")	September 24, 2020	US$200,000		(4)	4.3%	150,000	1,087,666	150,000	1,034,554
Shanghai Pudong Development Bank	February 25, 2022	US$50,000	1-year	February 25, 2023	2.2%	–	–	50,000	344,851
China Merchants Bank	June 5, 2023	RMB400,000	1-year	June 4, 2024	3.2%	55,164	400,000	–	–
HSBC Bank	May 4, 2023	RMB340,000	1-year	May 3, 2024	4.7%	46,889	340,000	–	–
China Industrial Bank	May 30, 2023	RMB200,000	1-year	May 29, 2024	2.8%	27,582	200,000	–	–
Other short-term debt (5)						120,534	874,000	114,832	792,000
Total short-term debt						421,052	3,053,095	328,969	2,268,905
China Construction Bank	April 4, 2018	RMB580,000	9-year	April 4, 2027	(1)	64,818	470,000	75,395	520,000
China Merchants Bank	January 22, 2020	(2)	9-year	January 20, 2029	(2)	41,176	298,571	47,847	330,000
China Merchants Bank	November 9, 2020	RMB378,000	9-year	November 8, 2029	(3)	44,200	320,500	49,369	340,500
China CITIC Bank	July 29, 2022	RMB480,000	10-year	July 28, 2032	(6)	57,232	415,000	36,537	252,000
Total long-term bank loans						207,426	1,504,071	209,148	1,442,500

13. DEBT *(Continued)*

1. The outstanding borrowings bear floating interest rates benchmarking RMB loan interest rates of financial institutions in the PRC. The loan interest rate was 4.5% as of June 30, 2023. The loan is secured by BeiGene Guangzhou Factory's land use right and certain fixed assets in the first phase of the Guangzhou manufacturing facility's build out. The Company repaid US$3,483,000 (RMB25,000,000) during the six months ended June 30, 2023.

2. On January 22, 2020, BeiGene Guangzhou Factory entered into a nine-year bank loan with China Merchants Bank to borrow up to RMB1,100,000,000 at a floating interest rate benchmarked against prevailing interest rates of certain PRC financial institutions. The loan is secured by BeiGene Guangzhou Factory's second land use right and fixed assets placed into service upon completion of the second phase of the Guangzhou manufacturing facility's build out. In connection with the Company's short-term loan agreements with China Merchants Bank entered into during the year ended December 31, 2020, the borrowing capacity was reduced from RMB1,100,000,000 to RMB350,000,000. The loan interest rate was 4.1% as of June 30, 2023. The Company repaid US$731,000 (RMB5,000,000) during the six months ended June 30, 2023. BeiGene Guangzhou Factory is a company incorporated under the laws of the PRC on March 3, 2017 and a wholly owned subsidiary of BeiGene Biologics.

3. The outstanding borrowings bear floating interest rates benchmarking RMB loan interest rates of financial institutions in the PRC. The loan interest rate was 4.0% as of June 30, 2023. The loan is secured by fixed assets placed into service upon completion of the third phase of the Guangzhou manufacturing facility's build out. The Company repaid US$2,518,000 (RMB17,500,000) during the six months ended June 30, 2023.

4. In September 2020, the Company entered into a loan agreement with China Minsheng Bank for a total loan facility of up to US$200,000,000 ("Senior Loan"), of which US$120,000,000 was designated to fund the purchase of noncontrolling equity interest in BeiGene Biologics from Guangzhou GET Technology Development Co., Ltd. (now Guangzhou High-tech Zone Technology Holding Group Co., Ltd.) ("GET") and repayment of the loan provided by GET and US$80,000,000 was designated for general working capital purposes. The Senior Loan had an original maturity date of October 8, 2021, which was the first anniversary of the first date of utilization of the loan. The Company may extend the original maturity date for up to two additional 12 month periods. On October 8, 2021, the Company extended the maturity date for twelve months to October 8, 2022 and repurposed the Senior Loan for general working capital purposes. On September 30, 2022, the Company entered into an amendment and restatement agreement with China Minsheng Bank to extend the maturity date to October 9, 2023. BeiGene Biologics is a company incorporated under the laws of the PRC on January 25, 2017 and an indirectly wholly owned subsidiary of the Company.

5. During the years ended December 31, 2022 and 2021, the Company entered into short-term working capital loans with China Industrial Bank and China Merchants Bank to borrow up to RMB875,000,000 in aggregate, with maturity dates ranging from December 15, 2022 to September 18, 2023. The Company repaid US$16,574,000 (RMB117,000,000) and drew down US$28,174,000 (RMB199,000,000) during the six months ended June 30, 2023. The weighted average interest rate for the short-term working capital loans was approximately 2.6% as of June 30, 2023.

6. In July 2022, the Company entered into a 10-year bank loan agreement with China CITIC Bank to borrow up to RMB480,000,000 at a floating interest rate benchmarked against prevailing interest rates of certain PRC financial institutions. The Company drew down US$22,502,000 (RMB163,000,000) during the six months ended June 30, 2023. The weighted average loan interest rate was 4.1% as of June 30, 2023. The loan is secured by BeiGene Suzhou's land use right.

13. DEBT *(Continued)*

Interest Expense

Interest expense recognized for the six months ended June 30, 2023 was US$9,465,000, among which, US$772,000 was capitalized. Interest expense recognized for the six months ended June 30, 2022 was US$10,984,000, among which, US$1,935,000 was capitalized.

14. PRODUCT REVENUE

The Company's product revenue is primarily derived from the sale of its internally developed products BRUKINSA in the United States China, and other regions, and tislelizumab and pamiparib in China; XGEVA, BLINCYTO and KYPROLIS in China under a license from Amgen; REVLIMID® and VIDAZA® in China under a license from BMS; and POBEVCY® in China under a license from Bio-Thera.

The table below presents the Company's net product sales for the six months ended June 30, 2023 and 2022.

	Six Months Ended June 30,	
	2023	2022
	US$'000	US$'000
Product revenue – gross	**1,176,933**	638,273
Less: Rebates and sales returns	**(212,897)**	(72,189)
Product revenue – net	**964,036**	566,084

The following table disaggregates net product sales by product for the six months ended June 30, 2023 and 2022:

	Six Months Ended June 30,	
	2023	2022
	US$'000	US$'000
BRUKINSA®	**519,658**	233,072
Tislelizumab	**264,314**	192,522
REVLIMID®	**45,005**	41,576
XGEVA®	**44,165**	29,008
POBEVCY®	**27,764**	19,798
BLINCYTO®	**25,524**	21,396
KYPROLIS®	**15,995**	8,405
VIDAZA®	**7,119**	8,946
Pamiparib	**3,725**	4,577
Other	**10,767**	6,784
Total product revenue – net	**964,036**	566,084

14. PRODUCT REVENUE *(Continued)*

The following table presents the roll-forward of accrued sales rebates and returns for the six months ended June 30, 2023 and 2022:

	Six Months Ended June 30,	
	2023	2022
	US$'000	US$'000
Balance at beginning of the period	**41,817**	59,639
Accrual	**212,897**	72,189
Payments	**(169,123)**	(60,316)
Balance at end of the period	**85,591**	71,512

15. LOSS BEFORE INCOME TAX EXPENSE

The Company's loss before income tax expense is arrived at after charging/(crediting):

		Six Months Ended June 30,	
	Note	**2023**	2022
		US$'000	US$'000
Cost of inventories sold		**177,779**	136,410
Depreciation of property, plant and equipment	8	**40,332**	30,041
Research and development costs (note)		**831,348**	768,122
Operating lease cost		**13,429**	13,366
Amortization of license rights	9	**2,014**	2,020
Employee benefit expense (including directors' and chief executive's remuneration):			
Wages, salaries and other benefits		**542,029**	489,416
Share-based compensation expenses		**178,717**	146,860
Pension scheme contributions (defined contribution scheme)		**32,302**	25,966
		753,048	662,242
Foreign exchange differences, net		**68,911**	118,355
Impairment of trade receivables, net	6	**234**	(210)
Bank interest income		**(40,584)**	(32,520)
(Gain)/Loss on disposal of property and equipment		**(67)**	73

Note:

During the six months ended June 30, 2023 and 2022, research and development costs of approximately US$344,713,000 and US$293,291,000 were also included in employee benefit expense.

16. LOSS PER SHARE

The following table reconciles the numerator and denominator in the computations of basic and diluted loss per share:

	Six Months Ended June 30,	
	2023	2022
	US$'000	US$'000
Numerator:		
Net loss	**(729,568)**	(1,000,924)
Denominator:		
Weighted average shares outstanding – basic and diluted	**1,357,211,308**	1,334,252,648

For the six months ended June 30, 2023 and 2022, the computation of basic loss per share using the two-class method was not applicable as the Company was in a net loss position, and the effects of all share options, restricted shares, restricted share units and ESPP shares were excluded from the calculation of diluted loss per share, as their effect would have been anti-dilutive.

17. SHARE-BASED COMPENSATION EXPENSE

2016 Share Option and Incentive Plan

In January 2016, in connection with the Company's initial public offering ("IPO") on the Nasdaq Global Select Market ("NASDAQ"), the board of directors and shareholders of the Company approved the 2016 Share Option and Incentive Plan (the "2016 Plan"), which became effective in February 2016. The Company initially reserved 65,029,595 ordinary shares for the issuance of awards under the 2016 Plan, plus any shares available under the 2011 Option Plan (the "2011 Plan"), and not subject to any outstanding options as of the effective date of the 2016 Plan, along with underlying share awards under the 2011 Plan that are cancelled or forfeited without issuance of ordinary shares. As of June 30, 2023, ordinary shares cancelled or forfeited under the 2011 Plan that were carried over to the 2016 Plan totaled 5,166,822. In December 2018, the shareholders approved an amended and restated 2016 Plan to increase the number of shares authorized for issuance by 38,553,159 ordinary shares, as well as amend the cap on annual compensation to independent directors and make other changes. In June 2020, the shareholders approved an Amendment No. 1 to the 2016 Plan to increase the number of shares authorized for issuance by 57,200,000 ordinary shares and to extend the term of the plan through April 13, 2030. The number of shares available for issuance under the 2016 Plan is subject to adjustment in the event of a share split, share dividend or other change in the Company's capitalization.

17. SHARE-BASED COMPENSATION EXPENSE *(Continued)*

2016 Share Option and Incentive Plan *(Continued)*

During the six months ended June 30, 2023, the Company granted options for 9,396,660 ordinary shares and restricted share units for 29,453,021 ordinary shares under the 2016 Plan. As of June 30, 2023, options and restricted share units for ordinary shares outstanding under the 2016 Plan totaled 64,070,175 and 68,073,668, respectively. As of June 30, 2023, share-based awards to acquire 38,873,106 ordinary shares were available for future grant under the 2016 Plan.

In order to continue to provide incentive opportunities under the 2016 Plan, the Board of Directors and shareholders of the Company approved an amendment to the 2016 Plan (the "Amendment No. 2"), which became effective as of June 22, 2022, to increase the number of authorized shares available for issuance under the 2016 Plan by 66,300,000 ordinary shares, or 5% of the Company's outstanding shares as of March 31, 2022.

2018 Inducement Equity Plan

In June 2018, the board of directors of the Company approved the 2018 Inducement Equity Plan (the "2018 Plan") and reserved 12,000,000 ordinary shares to be used exclusively for grants of awards to individuals that were not previously employees of the Company or its subsidiaries, as a material inducement to the individual's entry into employment with the Company or its subsidiaries within the meaning of Rule 5635(c)(4) of the NASDAQ Listing Rules. The 2018 Plan was approved by the board of directors upon recommendation of the compensation committee, without shareholder approval pursuant to Rule 5635(c)(4) of the NASDAQ Listing Rules. The terms and conditions of the 2018 Plan, and the forms of award agreements to be used thereunder, are substantially similar to the 2016 Plan and the forms of award agreements thereunder. In August 2018, in connection with the Hong Kong IPO, the board of directors of the Company approved an amended and restated 2018 Plan to implement changes required by the HK Listing Rules.

As of June 30, 2023, there were no options or restricted share units for ordinary shares outstanding under the 2018 Plan.

Upon the effectiveness of Amendment No. 2 to the 2016 Plan, on June 22, 2022, the 2018 Plan was terminated to the effect that no new equity awards shall be granted under the plan but the outstanding equity awards under the plan shall continue to vest and/or be exercisable in accordance with their terms.

17. SHARE-BASED COMPENSATION EXPENSE *(Continued)*

2018 Employee Share Purchase Plan

In June 2018, the shareholders of the Company approved the 2018 Employee Share Purchase Plan (the "ESPP"). Initially, 3,500,000 ordinary shares of the Company were reserved for issuance under the ESPP. In December 2018, the board of directors of the Company approved an amended and restated ESPP to increase the number of shares authorized for issuance by 3,855,315 ordinary shares to 7,355,315 ordinary shares. In June 2019, the board of directors adopted an amendment to revise the eligibility criteria for enrollment in the plan. In June 2021, the board of directors of the Company adopted the third amended and restated ESPP to include certain technical amendments under U.S. tax rules and to consolidate the changes in the prior amendment, effective on September 1, 2021. The ESPP allows eligible employees to purchase the Company's ordinary shares (including in the form of ADSs) at the end of each offering period, which will generally be six months, at a 15% discount to the market price of the Company's ADSs at the beginning or the end of each offering period, whichever is lower, using funds deducted from their payroll during the offering period. Eligible employees are able to authorize payroll deductions of up to 10% of their eligible earnings, subject to applicable limitations.

As of June 30, 2023, 2,735,219 ordinary shares were available for future issuance under the ESPP.

The following tables summarizes the shares issued under the ESPP:

Issuance Date	Number of Ordinary Shares Issued	Market Price[1]		Purchase Price[2]		Proceeds
		ADS US$	Ordinary US$	ADS US$	Ordinary US$	US$'000
February 28, 2023	930,582	171.10	13.16	145.44	11.19	10,414
August 31, 2022	861,315	171.66	13.20	145.91	11.22	9,667
February 28, 2022	667,160	210.52	16.19	178.94	13.76	9,183

1. The market price is the lower of the closing price on the NASDAQ on the issuance date or the offering date, in accordance with the terms of the ESPP.

2 The purchase price is the price which was discounted from the applicable market price, in accordance with the terms of the ESPP.

17. SHARE-BASED COMPENSATION EXPENSE *(Continued)*

The following table summarizes total share-based compensation expense recognized for the six months ended June 30, 2023 and 2022:

	Six Months Ended June 30,	
	2023	2022
	US$'000	US$'000
Research and development	**79,976**	67,965
Selling, general and administrative	**98,741**	78,895
Total	**178,717**	146,860

18. ACCUMULATED OTHER COMPREHENSIVE LOSS

The movement of accumulated other comprehensive loss was as follows:

	Foreign Currency Translation Adjustments US$'000	Unrealized Gains/(Losses) on Available-for-Sale Securities US$'000	Pension Liability Adjustments US$'000	Total US$'000
Balance as of December 31, 2022	(62,523)	(9,011)	(5,883)	(77,417)
Other comprehensive (loss) income before reclassifications	(73,172)	6,902	–	(66,270)
Net-current period other comprehensive (loss) income	(73,172)	6,902	–	(66,270)
Balance as of June 30, 2023	**(135,695)**	**(2,109)**	**(5,883)**	**(143,687)**

19. SHAREHOLDERS' EQUITY

Share Purchase Agreement

In September 2021, the Company issued an aggregate of 165,529 ADSs, representing 2,151,877 ordinary shares, to Amgen for a total consideration of US$50,000,000 in a private placement pursuant to a Share Purchase Agreement dated October 31, 2019, as amended on December 6, 2019, September 24, 2020 and January 30, 2023 by and between Amgen and Company.

STAR Offering

In December 2021, the Company completed an initial public offering of ("STAR Offering") on the Science and Technology Innovation Board ("STAR Market") of the Shanghai Stock Exchange ("SSE"). The shares offered in the STAR Offering were issued to and subscribed for by permitted investors in the PRC in Renminbi ("RMB Shares"). The public offering price of the RMB Shares was RMB192.60 per ordinary share, or US$391.68 per ADS. In this offering, the Company sold 115,055,260 ordinary shares. Net proceeds after deducting underwriting discounts and commission and offering expenses were US$3,392,616,000. As required by the PRC securities laws, the net proceeds from the STAR Offering must be used in strict compliance with the planned uses as disclosed in the STAR Prospectus as well as the Company's proceeds management policy for the STAR Offering approved by the board of directors.

20. RESTRICTED NET ASSETS

The Company's ability to pay dividends may depend on the Company receiving distributions of funds from its PRC subsidiaries. Relevant PRC statutory laws and regulations permit payments of dividends by the Company's PRC subsidiaries only out of the subsidiary's retained earnings, if any, as determined in accordance with PRC accounting standards and regulations. The results of operations reflected in the condensed consolidated financial statements prepared in accordance with U.S. GAAP differ from those reflected in the statutory financial statements of the Company's PRC subsidiaries.

In accordance with the company law of the PRC, a domestic enterprise is required to provide statutory reserves of at least 10% of its annual after-tax profit until such reserve has reached 50% of its respective registered capital based on the enterprise's PRC statutory accounts. A domestic enterprise is also required to provide discretionary surplus reserve, at the discretion of the board of directors, from the profits determined in accordance with the enterprise's PRC statutory accounts. The aforementioned reserves can only be used for specific purposes and are not distributable as cash dividends. The Company's PRC subsidiaries were established as domestic enterprises and therefore are subject to the above-mentioned restrictions on distributable profits.

20. RESTRICTED NET ASSETS *(Continued)*

As a result of these PRC laws and regulations, including the requirement to make annual appropriations of at least 10% of after-tax income and set aside as general reserve fund prior to payment of dividends, the Company's PRC subsidiaries are restricted in their ability to transfer a portion of their net assets to the Company.

Foreign exchange and other regulations in the PRC may further restrict the Company's PRC subsidiaries from transferring funds to the Company in the form of dividends, loans and advances. As of June 30, 2023 and December 31, 2022, the net assets of the Company's PRC subsidiaries amounted to US$3,305,583,000 and US$3,548,881,000.

21. COMMITMENTS AND CONTINGENCIES

Purchase Commitments

As of June 30, 2023, the Company had purchase commitments amounting to US$104,115,000 of which US$40,295,000 related to minimum purchase requirements for supply purchased from contract manufacturing organizations and US$63,820,000 related to binding purchase obligations of inventory from BMS and Amgen. The Company does not have any minimum purchase requirements for inventory from BMS or Amgen.

Capital Commitments

The Company had capital commitments amounting to US$381,187,000 for the acquisition of property, plant and equipment as of June 30, 2023, which were mainly for the Company's manufacturing and clinical R&D campus in Hopewell, NJ, additional capacity at the Guangzhou and Suzhou manufacturing facilities, and new building for Beijing Innerway Bio-tech Co., Ltd.

Co-Development Funding Commitment

Under the Amgen Collaboration Agreement, the Company is responsible for co-funding global development costs for the Amgen oncology pipeline assets up to a total cap of US$1,250,000,000. The Company is funding its portion of the co-development costs by contributing cash and development services. As of June 30, 2023, the Company's remaining co-development funding commitment was US$549,765,000.

Research and Development Commitment

The Company entered into a long-term research and development agreement in June 2021, which includes obligations to make an upfront payment and fixed quarterly payments over the next four years. As of June 30, 2023, the total research and development commitment amounted to US$17,990,000.

21. COMMITMENTS AND CONTINGENCIES *(Continued)*

Funding Commitment

The Company had committed capital related to two equity method investments in the amount of US$15,057,000. As of June 30, 2023, the remaining capital commitment was US$10,557,000 and is expected to be paid from time to time over the investment period.

Pension Commitment

The Company maintains a defined benefit pension plan in Switzerland. Funding obligations under the defined benefit pension plan are equivalent to US$2,627,000 per year based on annual funding contributions in effect as of June 30, 2023 to achieve fully funded status where the market value of plan assets equals the projected benefit obligations. Future funding requirements will be subject to change as a result of future changes in staffing and compensation levels, various actuarial assumptions and actual investment returns on plan assets.

Other Business Agreements

The Company enters into agreements with contract research organizations ("CROs") to some extent to provide research and development services. These contracts are generally cancellable at any time by us with prior written notice.

The Company also enters into collaboration agreements with institutions and companies to license intellectual property. The Company may be obligated to make future development, regulatory and commercial milestone payments and royalty payments on future sales of specified products associated with its collaboration agreements. Payments under these agreements generally become due and payable upon achievement of such milestones or sales. These commitments are not recorded on the Company's balance sheet because the achievement and timing of these milestones are not fixed and determinable. When the achievement of these milestones or sales have occurred, the corresponding amounts are recognized in the Company's financial statements.

Legal Proceedings

In the ordinary course of business, the Company may be subject to legal proceedings, claims and litigation as the Company operates in an industry susceptible to patent legal claims. The Company accounts for estimated losses with respect to legal proceedings and claims when such losses are probable and estimable. Legal costs associated with these matters are expensed when incurred.

22. RELATED PARTY TRANSACTIONS

(a) In addition to the transactions detailed elsewhere in this financial information, the Company had the following related party transactions for the six months ended June 30, 2023 and 2022:

Xiaodong Wang, Chairman of Scientific Advisory Board, director and shareholder, provided consulting service to the Company, and the compensation received by Dr. Wang for consulting service for the six months ended June 30, 2023 and 2022 consisted of (i) US$50,000 (2022: US$50,000) in consulting fees, (ii) US$75,000 (2022: US$75,000) as a performance-based cash bonus, (iii) share-based compensation expenses for options and RSUs of US$2,017,000 (2022:US$2,141,000).

(b) Compensation of key management personnel of the Company:

	Six Months Ended June 30,	
	2023	2022
	US$'000	US$'000
Short term employee benefits	**2,914**	3,423
Post-employment benefits	**32**	37
Share-based compensation expenses	**19,857**	19,626
Total compensation paid to key management personnel	**22,803**	23,086

23. SEGMENT AND GEOGRAPHIC INFORMATION

The Company operates in one segment: pharmaceutical products. Its chief operating decision maker is the Chief Executive Officer, who makes operating decisions, assesses performance and allocates resources on a consolidated basis.

The Company's long-lived assets are primarily located in the PRC and the U.S.

Net product revenues by geographic area are based upon the location of the customer, and net collaboration revenue is recorded in the jurisdiction in which the related income is expected to be sourced from.

Total product revenues by geographic area are presented as follows:

	Six Months Ended June 30,	
	2023	2022
	US$'000	US$'000
PRC	**540,828**	403,164
United States	**362,307**	156,269
Rest of world	**60,901**	6,651
Total	**964,036**	566,084

Total collaboration revenues by geographic area are presented as follows:

	Six Months Ended June 30,	
	2023	2022
	US$'000	US$'000
PRC	**2,636**	–
United States	**54,523**	57,480
Rest of world	**21,867**	24,634
Total	**79,026**	82,114

24. SUBSEQUENT EVENTS

On July 28, 2023 (the "Signing Date"), a credit facility agreement (the "Credit Agreement") was entered into by and between the Company, as the borrower, and China Merchants Bank Co., Ltd., as the lender (the "Lender"). The Credit Agreement provides for a US$400 million uncommitted and unsecured credit facility (the "Credit Facility"), pursuant to which each loan issued has a term up to one year, provided that all loans must be repaid within eighteen months of the Signing Date. Loans under the Credit Facility have a floating interest rate based on the secured overnight financing rate plus an applicable margin and are calculated daily from the date the loan is utilized and settled on a quarterly basis. The proceeds of the loans under the Credit Facility are available to finance the working capital needs and for daily operations of the Company and its subsidiaries. The Credit Agreement contains financial covenants that require the Company to uphold certain ratios of liabilities to ownership equity, maintain specified amounts of both consolidated net assets and consolidated cash balance, and reach a certain amount of annual sales revenue for products, all which are tested either quarterly or annually. The Credit Agreement also contains operating covenants including, among other things, (i) maintaining its listing status on The Stock Exchange of Hong Kong Limited and The Science and Technology Innovation Board of the Shanghai Stock Exchange, (ii) preserving interest reserve in the account with the Lender, (iii) limitations on the incurrence of certain additional indebtedness, and (iv) preservation of ownership of key patents and other covenants surrounding the Company's intellectual property. Other certain covenants, representations and warranties, and events of default, are contained in the Credit Agreement, many of which would be breached or triggered solely to the extent they have a material adverse effect on the Company's ability to perform its obligations under the Credit Agreement or affect the Company's normal operations. As of the date of this interim report, no borrowings were outstanding under the Credit Agreement.

On August 1, 2023, the Company entered into a Settlement and Termination Agreement (the "Settlement Agreement") with BMS-Celgene and certain of its affiliates relating to the termination of the parties' ongoing contractual relationships, the previously-disclosed ongoing arbitration proceeding concerning ABRAXANE® (the "Arbitration"), the License and Supply Agreement ("LSA"), the Amended and Restated Quality Agreement (the "QA"), and the Share Subscription Agreement (the "SSA"), entered into by the parties in 2017 and 2018. Pursuant to the Settlement Agreement, the parties agreed to mutually dismiss the Arbitration and BMS-Celgene and its affiliates agreed to transfer 23,273,108 ordinary shares of the Company originally purchased in 2017, in each case subject to and in accordance with the terms and conditions of the Settlement Agreement. The Company has no payment obligation in exchange for the transferred shares pursuant to the Settlement Agreement. Furthermore, the parties agreed to terminate the LSA and QA on December 31, 2023, subject to the Company's right to continue selling all inventory of Revlimid and Vidaza until sold out or December 31, 2024, whichever is earlier. The Settlement Agreement provides for a settlement and release by each party of claims arising from or relating to the Arbitration, the LSA, the QA and the SSA, as well as other disputes and potential disputes between the parties, in each case subject to and in accordance with the terms and conditions of the Agreement.

25. RECONCILIATION BETWEEN U.S. GAAP AND INTERNATIONAL FINANCIAL REPORTING STANDARDS

The unaudited interim condensed consolidated financial statements are prepared in accordance with U.S. GAAP, which differ in certain respects from International Financial Reporting Standards ("IFRS"). The effects of material differences between the financial information of the Company prepared under U.S. GAAP and IFRS are as follows:

	Six months ended June 30, 2023				
	Amounts as reported under U.S. GAAP	IFRS adjustments			Amounts under IFRS
Consolidated statement of operations data	US$'000	Share-based compensation and related tax (note (i)) US$'000	Income taxes in the interim period (note (iii)) US$'000	Lease (note (iv)) US$'000	US$'000
Research and development	(831,348)	(13,557)	–	830	(844,075)
Selling, general and administrative	(723,533)	(13,107)	–	650	(735,990)
Interest income (expense), net	31,086	–	–	(1,556)	29,530
Loss before income tax expense	(704,402)	(26,664)	–	(76)	(731,142)
Income tax (expense) benefit	(25,166)	(1,567)	7,376	–	(19,357)
Net loss	(729,568)	(28,231)	7,376	(76)	(750,499)

25. RECONCILIATION BETWEEN U.S. GAAP AND INTERNATIONAL FINANCIAL REPORTING STANDARDS *(Continued)*

	Six months ended June 30, 2022		
Consolidated statement of operations data	Amounts as reported under U.S. GAAP US$'000	IFRS adjustments Share-based compensation and related tax (note (i)) US$'000	Amounts under IFRS US$'000
Research and development	(768,122)	(5,520)	(773,642)
Selling, general and administrative	(625,976)	(4,044)	(630,020)
Loss before income tax expense	(978,834)	(9,564)	(988,398)
Income tax expense	(22,090)	(15,102)	(37,192)
Net loss	(1,000,924)	(24,666)	(1,025,590)

25. RECONCILIATION BETWEEN U.S. GAAP AND INTERNATIONAL FINANCIAL REPORTING STANDARDS *(Continued)*

	As at June 30, 2023					
	Amounts as reported under U.S. GAAP	IFRS adjustments				Amounts under IFRS
Consolidated balance sheet data		Share-based compensation and related tax (note (i))	Preferred Shares (note (ii))	Income taxes in the interim period (note (iii))	Lease (note (iv))	
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Operating lease right-of-use assets	99,442	–	–	–	(2,381)	97,041
Prepaid expenses and other current assets	255,050	–	–	7,376	–	262,426
Total assets	5,728,736	–	–	7,376	(2,381)	5,733,731
Additional paid-in capital	11,752,019	28,231 208,042*	– 307,894*	– –	– –	12,296,186
Accumulated deficit	(7,809,910)	(28,231) (208,042)*	– (307,894)*	7,376 –	(76) (2,305)*	(8,349,082)
Total equity	3,798,559	–	–	7,376	(2,381)	3,803,554

25. RECONCILIATION BETWEEN U.S. GAAP AND INTERNATIONAL FINANCIAL REPORTING STANDARDS *(Continued)*

	As at December 31, 2022				
	Amounts as reported under U.S. GAAP	IFRS adjustments			Amounts under IFRS
Consolidated balance sheet data	US$'000	Share-based compensation and related tax (note (i)) US$'000	Preferred Shares (note (ii)) US$'000	Lease (note (iv)) US$'000	US$'000
Operating lease right-of-use assets	109,960	–	–	(2,305)	107,655
Total assets	6,379,290	–	–	(2,305)	6,376,985
Additional paid-in capital	11,540,979	33,993	–	–	12,056,915
		174,049*	307,894*	–	
Accumulated deficit	(7,080,342)	(33,993)	–	(2,305)	(7,598,583)
		10,311	–	–	
		(184,360)*	(307,894)*	–	
Total equity	4,383,355	–	–	(2,305)	4,381,050

* IFRS adjustments brought forward from prior years.

Notes:

(i) Share based compensation and related tax

Under U.S. GAAP, the Company has elected to recognize compensation expense using the straight-line method for all employee equity awards granted with graded vesting based on service conditions provided that the amount of compensation cost recognized at any date is at least equal to the portion of the grant date value of the options that are vested at that date.

Under IFRS, the accelerated method is required to recognize compensation expense for all employee equity awards granted with graded vesting.

A difference of US$26,664,000 arose between the amount of share-based compensation (included in research and development expenses, and selling, general and administrative expenses) recognized under U.S. GAAP and IFRS for the six months ended June 30, 2023 (six months ended June 30, 2022: US$9,564,000).

Under IFRS, the excess tax benefit resulting from the pre-tax deductible amount arising from U.S. employee share-based payments over the cumulative share-based payment-related expenses recognized for accounting purposes should be recorded in shareholders' equity rather than in current income tax expenses/benefits under U.S. GAAP.

25. RECONCILIATION BETWEEN U.S. GAAP AND INTERNATIONAL FINANCIAL REPORTING STANDARDS *(Continued)*

Notes *(Continued)*:

(ii) Preferred Shares

Prior to the Company's U.S. IPO, the Company had preferred shares, which were converted into ordinary shares at the time of the U.S. IPO. Under U.S. GAAP, the preferred shares issued by the Company were classified as mezzanine equity, as these convertible preferred shares were redeemable upon the occurrence of a conditional event (i.e., Liquidation Transaction). The holders of the preferred shares had a liquidation preference upon the occurrence of the conditional event. The conversion options and contingent redemption options of the convertible preferred shares do not qualify for bifurcation accounting because the conversion options are clearly and closely related to the host instrument and the underlying ordinary shares of the conversion options and redemption options are not publicly traded nor readily convertible into cash. No beneficial conversion features are recognized for the convertible preferred shares, as the fair values per ordinary share at the respective commitment dates were less than the most favorable conversion prices. The Company concluded that the preferred shares were not redeemable currently and it was not probable that the preferred shares would become redeemable because the likelihood of the Liquidation Transaction was remote. Therefore, no adjustment will be made to the initial carrying amount of the Preferred Shares until it is probable that they will become redeemable.

Under IFRS, the preferred shares were regarded as a hybrid instrument consisting of a host debt instrument and a conversion option as a derivative. This was the result of certain redemption triggering events of the preferred shares being outside the control of the ordinary shareholders of the Company. In addition, the holders of the preferred shares were entitled to convert the preferred shares into a variable number of the Company's ordinary shares upon occurrence of certain anti-dilution events. Under IFRS, the Company initially recorded all of the preferred shares as financial liabilities at fair value, with subsequent changes in the amount of the fair value of the preferred shares recognized in the statement of operations in the year in which they arose. Hence, all the fair value changes in the preferred shares of US$307,894,000 prior to the conversion into the Company's ordinary shares in February 2016 was recognized in the statement of operations under IFRS, and the cumulative effect of such fair value changes was recognized in the additional paid in capital account upon the conversion of the preferred shares into the ordinary shares. The effect of such IFRS adjustments on accumulated deficit and additional paid-in capital was US$307,894,000, which was all carried forward to opening balance sheets of subsequent financial years/periods.

(iii) Income taxes in the interim period

Under U.S. GAAP, the interim tax provision is determined by applying the estimated annual worldwide effective tax rate for the consolidated entity to the worldwide consolidated year-to-date pretax income.

Under IFRS, the interim tax provision is determined by applying an estimated average annual effective tax rate to interim period pretax income. A separate estimated average annual effective tax rate is determined for each material tax jurisdiction and applied individually to the interim period pretax income of each jurisdiction.

Based on the Company's assessment, the differences on income taxes in the interim period recognized under U.S. GAAP and IFRS did not have material impact on the financial statements as of June 30, 2022 and for the six months ended June 30, 2022.

25. RECONCILIATION BETWEEN U.S. GAAP AND INTERNATIONAL FINANCIAL REPORTING STANDARDS *(Continued)*

Notes *(Continued)*:

(iv) Lease

The Company adopted the new lease standard effective January 1, 2019 using the modified retrospective method and did not restate historical comparative periods under U.S. GAAP. As a lessee, the Company recognized a lease liability based on the present value of the total remaining lease payments, and a corresponding right-of-use asset under U.S. GAAP. The Company subsequently recognize an operating lease expense on straight line basis over the lease term.

IFRS 16, Lease requires entities to present interest expense on the lease liability and depreciation on the right-of-use assets separately in the statement of operations. This will change the allocation of expenses and the total amount of expenses recognized for each period of the lease term. The combination of a straight-line depreciation of the right-of-use asset and the effective interest rate method applied to the lease liability will result in a higher total charge to profit or loss in the initial years of the lease terms, and a decreasing expense during the latter years of the lease terms.

Based on the Company's assessment, the differences on lease recognized under U.S. GAAP and IFRS did not have material impact on the financial statements as of June 30, 2022 and for the six months ended June 30, 2022.

(v) Investment

Under U.S. GAAP, for equity securities without readily determinable fair value and do not qualify for the existing practical expedient in ASC 820, Fair Value Measurements and Disclosures ("ASC 820"), the Company elected to measure the equity securities at cost, less any impairment, plus or minus changes resulting from observable price changes in orderly transactions for identical or similar investments of the same issuer, if any.

Under IFRS, the Company measured the investments in equity instruments at fair value through profit or loss (FVTPL).

Based on the Company's assessment, the differences on investment recognized under U.S. GAAP and IFRS did not have material impact on unaudited financial statements as of June 30, 2023 and for the six months ended June 30, 2023.

26. DIVIDENDS

The board of directors of the Company did not recommend the distribution of any interim dividend for the six months ended June 30, 2023 (six months ended June 30, 2022: nil).

"2011 Plan"	the 2011 Option Plan adopted by the Company on April 15, 2011 and most recently amended on April 17, 2015
"2016 Plan"	the Second Amended and Restated 2016 Share Option and Incentive Plan adopted by the Company on January 14, 2016, as amended from time to time, the principal terms of which were set out in the Company's Proxy Statement/ Circular dated April 29, 2022
"2018 ESPP"	the Third Amended and Restated 2018 Employee Share Purchase Plan most recently amended on June 16, 2021 (effective as of September 1, 2021)
"2018 Inducement Plan" or "2018 Plan"	the Amended and Restated 2018 Inducement Equity Plan adopted by the Company on June 6, 2018 and most recently amended on August 7, 2018, which was terminated on June 22, 2022
"ADS(s)"	American Depositary Shares (each representing 13 ordinary shares of the Company)
"affiliate(s)"	with respect to any specified person, any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
"Amgen"	Amgen Inc., a company incorporated under the laws of Delaware, US, on April 7, 1987
"Amgen Collaboration Agreement"	a Collaboration Agreement dated October 31, 2019, by and between BeiGene Switzerland and Amgen, which became effective on January 2, 2020
"Amgen SPA"	the share purchase agreement dated October 31, 2019, as amended, by and between BeiGene, Ltd. and Amgen
"associate(s)"	has the meaning ascribed to it under the HK Listing Rules
"BeiGene", "Company", "our Company" or "the Company"	BeiGene, Ltd., an exempted company with limited liability incorporated under the laws of the Cayman Islands on October 28, 2010
"BeiGene Biologics"	BeiGene Biologics Co., Ltd.* (百濟神州生物藥業有限公司), a company incorporated under the laws of the PRC on January 25, 2017 and an indirectly wholly owned subsidiary of the Company
"BeiGene Guangzhou Factory"	BeiGene Guangzhou Biologics Manufacturing Co., Ltd.* (廣州百濟神州生物製藥有限公司), a company incorporated under the laws of the PRC on March 3, 2017 and a wholly owned subsidiary of BeiGene Biologics

DEFINITIONS

"BeiGene Switzerland"	BeiGene Switzerland GmbH, a company incorporated under the laws of Switzerland on September 1, 2017 and a wholly-owned subsidiary of the Company
"Board"	the board of directors of the Company
"China" or "PRC"	the People's Republic of China and, except where the context requires and only for the purpose of this report, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan. "Chinese" shall be construed accordingly
"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"connected person(s)"	has the meaning ascribed to it under the HK Listing Rules
"Corporate Governance Code"	the Corporate Governance Code and Corporate Governance Report set out in Appendix 14 of the HK Listing Rules
"Director(s)"	the director(s) of our Company
"FDA"	U.S. Food and Drug Administration
"GET"	Guangzhou GET Technology Development Co., Ltd. (now Guangzhou Hightech Zone Technology Holding Group Co., Ltd.), a limited liability company established under the laws of the PRC on November 27, 1998 and an Independent Third Party
"Group", "our Group", "the Group", "we", "us", or "our"	the Company and its subsidiaries from time to time
"HKEX"	The Stock Exchange of Hong Kong Limited
"HK Listing Rules"	the Rules governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong dollars" or "HK dollar" or "HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"IFRS"	International Financial Reporting Standards

"Independent Third Party(ies)"	any entity or person who is not a connected person of the Company within the meaning ascribed thereto under the HK Listing Rules
"IPO"	initial public offering
"Luye"	Luye Pharma Group Ltd.
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 of the HK Listing Rules
"NASDAQ"	Nasdaq Stock Market
"NASDAQ Listing Rules"	the listing rules of the Nasdaq Stock Market
"NMPA"	National Medical Products Administration, successor to the China Food and Drug Administration
"Novartis"	Novartis Pharm AG
"Prospectus"	the prospectus of the Company dated July 30, 2018
"Reporting Period"	the six months ended June 30, 2023
"RMB" or "Renminbi"	Renminbi, the lawful currency of PRC
"RMB Share(s)"	the Shares subscribed for in RMB by target subscriber(s) in the PRC, which are listed on the STAR Market and traded in RMB
"SEC"	the Securities and Exchange Commission of the United States
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Shareholder(s)"	holder(s) of the Share(s)
"Share(s)"	ordinary share(s) in the share capital of the Company
"SSE"	the Shanghai Stock Exchange
"STAR Market"	the Science and Technology Innovation Board of the Shanghai Stock Exchange

DEFINITIONS

"STAR Offering"	issue of RMB Shares and listing on the STAR Market of the SSE
"subsidiary(ies)"	has the meaning ascribed to it thereto in section 15 of the Companies Ordinance
"substantial shareholder"	has the meaning ascribed to it in the HK Listing Rules
"United States", "U.S." or "US"	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
"US dollars", "U.S. dollars" or "US$"	United States dollars, the lawful currency of the United States
"U.S. GAAP"	United States generally accepted accounting principles

"BRAF"	means	a human gene that makes the B-raf protein involved in sending internal cell signals that direct cell growth
"BTK"	means	Bruton's tyrosine kinase. BTK is a key component of the BCR signaling pathway and is an important regulator of cell proliferation and cell survival in various lymphomas
"CLL"	means	chronic lymphocytic leukemia
"Kinase"	means	a type of enzyme that catalyzes the transfer of phosphate groups from high-energy, phosphate-donating molecules to specific substrates. The protein kinases make up the majority of all kinases. Protein kinases act on proteins, phosphorylating them on their serine, threonine, tyrosine, or histidine residues. These kinases play a major role in protein and enzyme regulation as well as signaling in the cell
"NDA"	means	new drug application
"PARP"	means	poly ADP ribose polymerase, a family of proteins involved in numerous cellular processes, mostly involving DNA replication and transcriptional regulation, which plays an essential role in cell survival in response to DNA damage
"PD-1"	means	programmed cell death protein 1, an immune checkpoint receptor expressed on T-cells and pro-B-cells that binds two ligands, PD-L1 and PD-L2. PD-1 is a cell surface receptor that plays an important role in down-regulating the immune system by preventing the activation of T-cells
"pivotal trials"	means	a potentially registration-enabling trial or program that is intended to provide clinical data to support a regulatory approval for marketing the drug candidate
"RAF dimer"	means	a protein complex formed by two copies of RAF proteins. This could be a BRAF-BRAF complex, a BRAF-CRAF complex, or a CRAF-CRAF complex
SLL	means	small lymphocytic lymphoma
sNDA	means	supplemental new drug application

GLOSSARY OF TECHNICAL TERMS

"T-Cell"	means	a type of white blood cell that play a large role in immune response and that differs from other white blood cells like B-cells by the presence of the T-cell receptor on the T-cell's outer surface, which is responsible for recognizing antigens bound to major histocompatibility complex molecules
"TIM-3"	means	T-cell immunoglobulin and mucin-domain containing-3, a Th1-specific cell surface protein that functions as an immune checkpoint, regulating macrophage activation and enhancing the severity of experimental autoimmune encephalomyelitis in mice