BeiGene, Ltd.
百濟神州有限公司
(incorporated in the Cayman Islands with limited liability)
(Stock Code: 06160)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED JUNE 30, 2024

BeiGene, Ltd. together with its subsidiaries (the "Company" or "BeiGene" or "we" or "us") hereby announces the unaudited condensed consolidated results of the Company for the six months ended June 30, 2024 (the "Reporting Period"), together with the comparative figures for the corresponding period in 2023, which have been prepared under generally accepted accounting principles in the United States (the "U.S. GAAP" or "GAAP") and reviewed by the audit committee (the "Audit Committee") of the Board of Directors (the "Board" or "Directors") of the Company.

FINANCIAL HIGHLIGHTS

- Total revenues for the six months ended June 30, 2024 increased by approximately US$637.8 million or approximately 61.1% to approximately US$1,680.8 million, as compared to the six months ended June 30, 2023. Product revenue increased by approximately US$704.0 million or approximately 73.0% to approximately US$1,668.1 million, as compared to the six months ended June 30, 2023.

- Total operating expenses for six months ended June 30, 2024, increased by approximately US$231.0 million or approximately 14.9% to approximately US$1,786.3 million, as compared to the six months ended June 30, 2023.

- Net loss for the six months ended June 30, 2024 decreased by approximately US$358.0 million or approximately 49.1% to approximately US$371.6 million, as compared to the six months ended June 30, 2023.

- Basic and diluted loss per share for the six months ended June 30, 2024 amounted to US$0.27, representing a decrease of 50.0% when compared with that of US$0.54 for the six months ended June 30, 2023.

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

	Note	Six Months Ended June 30, 2024 US$'000	2023 US$'000
Revenues			
Product revenue, net	13	1,668,064	964,036
Collaboration revenue	3	12,754	79,026
Total revenues		1,680,818	1,043,062
Cost of sales – product		263,067	177,779
Gross profit		1,417,751	865,283
Operating expenses			
Research and development		915,104	831,348
Selling, general and administrative		871,156	723,533
Amortization of intangible assets		–	375
Total operating expenses		1,786,260	1,555,256
Loss from operations		(368,509)	(689,973)
Interest income, net		29,385	31,086
Other expense, net		(10,222)	(45,515)
Loss before income taxes		(349,346)	(704,402)
Income tax expense	9	22,209	25,166
Net loss		(371,555)	(729,568)
Net loss per share, basic and diluted (in US$)	15	(0.27)	(0.54)
Weighted-average shares outstanding – basic and diluted		1,358,315,145	1,357,211,308
Net loss per American Depositary Share ("ADS"), basic and diluted (in US$)	15	(3.56)	(6.99)
Weighted-average ADSs outstanding – basic and diluted		104,485,780	104,400,870

The accompanying notes are an integral part of these condensed consolidated financial statements.

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

	Note	Six Months Ended June 30, 2024 US$'000	2023 US$'000
Net loss		(371,555)	(729,568)
Other comprehensive income (loss), net of tax of nil:			
Foreign currency translation adjustments	17	(41,399)	(73,172)
Pension liability adjustments		406	–
Unrealized holding (loss) income, net	17	(35)	6,902
Comprehensive loss		(412,583)	(795,838)

The accompanying notes are an integral part of these condensed consolidated financial statements.

UNAUDITED INTERIM CONDENSED CONSOLIDATED BALANCE SHEETS

	Note	As of June 30, 2024 US$'000 (unaudited)	As of December 31, 2023 US$'000 (audited)
Assets			
Current assets:			
Cash and cash equivalents		2,592,655	3,171,800
Accounts receivable, net	5	529,449	358,027
Inventories, net	6	443,260	416,122
Prepaid expenses and other current assets	10	273,658	257,465
Total current assets		3,839,022	4,203,414
Non-current assets:			
Property, plant and equipment, net	7	1,516,491	1,324,154
Operating lease right-of-use assets		103,633	95,207
Intangible assets, net	8	53,715	57,138
Other non-current assets	10	199,318	125,362
Total non-current assets		1,873,157	1,601,861
Total assets		5,712,179	5,805,275
Liabilities and shareholders' equity			
Current liabilities:			
Accounts payable	11	333,022	315,111
Accrued expenses and other payables	10	646,538	693,731
Tax payable	9	5,278	22,951
Operating lease liabilities, current portion		17,658	21,950
Research and development cost share liability, current portion	3	84,615	68,004
Short-term debt	12	851,657	688,366
Total current liabilities		1,938,768	1,810,113

UNAUDITED INTERIM CONDENSED CONSOLIDATED BALANCE SHEETS (CONTINUED)

	Note	As of June 30, 2024 US$'000 (unaudited)	As of December 31, 2023 US$'000 (audited)
Non-current liabilities:			
Long-term bank loans	12	185,271	197,618
Operating lease liabilities, non-current portion		35,398	22,251
Deferred tax liabilities	9	15,942	16,494
Research and development cost share liability, non-current portion	3	119,012	170,662
Other long-term liabilities	10	51,533	50,810
Total non-current liabilities		407,156	457,835
Total liabilities		2,345,924	2,267,948
Commitments and contingencies	20		
Shareholders' equity:			
Ordinary shares, US$0.0001 par value per share; 9,500,000,000 shares authorized; 1,379,101,901 and 1,359,513,224 shares issued and outstanding as of June 30, 2024 and December 31, 2023, respectively		137	135
Additional paid-in capital		11,840,197	11,598,688
Accumulated other comprehensive loss	17	(140,474)	(99,446)
Accumulated deficit		(8,333,605)	(7,962,050)
Total shareholders' equity		3,366,255	3,537,327
Total liabilities and shareholders' equity		5,712,179	5,805,275

The accompanying notes are an integral part of these condensed consolidated financial statements.

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Note	Six Months Ended June 30, 2024 US$'000	2023 US$'000
Operating activities:			
Net loss		(371,555)	(729,568)
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation and amortization expense		50,224	42,346
Share-based compensation expenses	16	219,304	178,693
Gain on deconsolidation of a subsidiary		(3,735)	–
Amortization of research and development cost share liability	3	(35,039)	(22,669)
Other items, net		5,413	2,930
Changes in operating assets and liabilities:			
Accounts receivable		(173,896)	(131,923)
Inventories		(35,949)	(53,598)
Other assets		(32,233)	(30,627)
Accounts payable		2,192	(32,678)
Accrued expenses and other payables		(28,256)	(8,082)
Deferred revenue		216	(72,577)
Other liabilities		(846)	88
Net cash used in operating activities		(404,160)	(857,665)
Investing activities:			
Purchases of property, plant and equipment		(266,528)	(247,055)
Purchase of intangible asset		(4,674)	–
Proceeds from sale or maturity of investments		2,655	567,500
Purchase of in-process research and development		(31,800)	–
Other investing activities		(20,516)	(11,582)
Net cash (used in) provided by investing activities		(320,863)	308,863

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)

	Note	Six Months Ended June 30, 2024 US$'000	2023 US$'000
Financing activities:			
Proceeds from long-term loan	12	9,053	15,771
Repayment of long-term loan	12	(14,020)	–
Proceeds from short-term loans	12	324,412	161,846
Repayment of short-term loans	12	(157,490)	(66,574)
Proceeds from option exercises and employee share purchase plan		20,355	35,169
Other financing activities		3,000	–
Net cash provided by financing activities		185,310	146,212
Effect of foreign exchange rate changes, net		(28,340)	(50,873)
Net decrease in cash, cash equivalents, and restricted cash		(568,053)	(453,463)
Cash, cash equivalents, and restricted cash at beginning of period		3,185,984	3,875,037
Cash, cash equivalents, and restricted cash at end of period		2,617,931	3,421,574
Supplemental cash flow information:			
Cash and cash equivalents		2,592,655	3,410,368
Short-term restricted cash		23,155	9,693
Long-term restricted cash		2,121	1,513
Income taxes paid		45,636	32,529
Interest expense paid		24,148	10,015
Supplemental non-cash information:			
Capital expenditures included in accounts payable and accrued expenses		115,564	95,404
Increase in equity investment from deconsolidation of a subsidiary		40,798	–

The accompanying notes are an integral part of these condensed consolidated financial statements.

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

	Ordinary Shares		Additional Paid-In	Accumulated Other Comprehensive	Accumulated	
	Shares	Amount US$'000	Capital US$'000	Loss US$'000	Deficit US$'000	Total US$'000
Balance at December 31, 2023	1,359,513,224	135	11,598,688	(99,446)	(7,962,050)	3,537,327
Use of shares reserved for share option exercises	(1,216,016)	–	–	–	–	–
Exercise of options, ESPP and release of RSUs	20,804,693	2	20,153	–	–	20,155
Share-based compensation	–	–	219,304	–	–	219,304
Deconsolidation of a subsidiary	–	–	2,052	–	–	2,052
Other comprehensive loss	–	–	–	(41,028)	–	(41,028)
Net loss	–	–	–	–	(371,555)	(371,555)
Balance at June 30, 2024	1,379,101,901	137	11,840,197	(140,474)	(8,333,605)	3,366,255
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

The accompanying notes are an integral part of these condensed consolidated financial statements.

NOTES TO THE UNAUDITED INTERIM 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 oncology company discovering and developing innovative 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® (zanubrutinib), a small molecule inhibitor of Bruton's Tyrosine Kinase ("BTK") for the treatment of various blood cancers; TEVIMBRA® (tislelizumab), an anti-PD-1 antibody immunotherapy for the treatment of various solid tumor and blood cancers; and PARTRUVIX® (pamiparib), a selective small molecule inhibitor of PARP1 and PARP2. The Company markets BRUKINSA in the United States ("U.S."), the People's Republic of China ("China" or the "PRC"), the European Union ("EU"), the United Kingdom ("UK"), Canada, Australia, and additional international markets; TEVIMBRA (tislelizumab) in the U.S., EU and China; and PARTRUVIX in China. By leveraging its strong commercial capabilities, the Company has in-licensed the rights to distribute additional 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 such as Amgen Inc. ("Amgen") and Beijing Novartis Pharma Co., Ltd. ("Novartis") 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. Recognizing the importance of clinical trial activities in its industry and the challenges associated with outsourcing to third-party contract research organizations ("CROs"), the Company has built a fully dedicated 3,000+ person clinical team that is largely CRO free, the majority of which are in the Americas, Europe, Australia, Japan and Korea.

As of June 30, 2024, the Company had the following principal 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 (Beijing) Co., Ltd.	PRC*	RMB2,722,787,023	100%	Medical and pharmaceutical research and development, PRC
BeiGene Guangzhou Biologics Manufacturing Co., Ltd. ("BeiGene Guangzhou Factory")	PRC*	RMB15,424,108,600	100%	Medical and pharmaceutical research and development, manufacturing and commercialization, PRC
BeiGene (Shanghai) Co., Ltd.	PRC*	RMB1,434,344,311	100%	Medical and pharmaceutical research and development, PRC
BeiGene (Shanghai) Research & Development Co., Ltd.	PRC*	RMB620,000,000	100%	Medical and pharmaceutical research and development, PRC
BeiGene (Suzhou) Co., Ltd. ("BeiGene Suzhou")	PRC*	RMB4,273,218,389	100%	Medical and pharmaceutical research and manufacturing and commercialization, PRC
BeiGene Switzerland GmbH	Switzerland	CHF20,000	100%	Medical, pharmaceutical research and development and commercialization, Switzerland
BeiGene USA, Inc.	Delaware, United States	USD1	100%	Medical, pharmaceutical research and development and commercialization, U.S.
BeiGene Hopewell Urban Renewal, LLC	New Jersey, United States	USD613,943,128	100%	Medical and pharmaceutical research and development and manufacturing, U.S.
BeiGene AUS Pty Ltd	Australia	USD56,947,230	100%	Medical, pharmaceutical research and development and commercialization, Australia

* Limited liability company established in PRC

Basis of presentation and consolidation

The accompanying condensed consolidated balance sheet as of June 30, 2024, the condensed consolidated statements of operations and comprehensive loss for the six months ended June 30, 2024 and 2023, the condensed consolidated statements of cash flows for the six months ended June 30, 2024 and 2023, and the condensed consolidated statements of shareholders' equity for the six months ended June 30, 2024 and 2023, 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. 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 Annual Report on Form 10-K for the year ended December 31, 2023 (the "Annual Report").

The unaudited interim condensed consolidated 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, 2024 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.

Recent accounting pronouncements

New accounting standards which have not yet been adopted

In November 2023, the FASB issued ASU 2023-07, *Segment Reporting* (Topic 280): Improvements to Reportable Segment Disclosures. This update requires disclosure of incremental segment information on an annual and interim basis. This update is effective for annual periods beginning after December 15, 2023, and interim periods within annual periods beginning after December 15, 2024. Early adoption is permitted. This guidance should be applied retrospectively to all prior periods presented in the financial statements. The Company is currently evaluating the impact on its financial statements of adopting this guidance.

In December 2023, the FASB issued ASU 2023-09, *Income Taxes* (Topic 740): Improvements to Income Tax Disclosures. This update requires that public entities on an annual basis, (1) in the rate reconciliation, disclose specific categories and provide additional information for reconciling items that meet a quantitative threshold; (2) about income taxes paid, disclose the amount of income taxes paid (net of refunds received) disaggregated by federal, state, and foreign taxes and by individual jurisdiction in which income taxes paid (net of refunds received) is equal to or greater than 5 percent of total income taxes paid (net of refunds received); and (3) disclose income (or loss) from continuing operations before income tax expense (or benefit) disaggregated between domestic and foreign and income tax expense (or benefit) disaggregated by federal, state, and foreign. This update is effective for annual periods beginning after December 15, 2024. Early adoption is permitted. This guidance should be applied on a prospective basis. Retrospective application is permitted. The Company is currently evaluating the impact on its financial statements of adopting this guidance.

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, 2023.

There have been no material changes to the Company's significant accounting policies as of and for the six months ended June 30, 2024, as compared to the significant accounting policies described in the Annual Report.

2. 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.

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, 2024 and December 31, 2023:

As of June 30, 2024	**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	897,906	–	–
Prepaid expenses and other current assets:			
Convertible debt instrument	–	–	4,968
Other non-current assets (Note 4):			
Equity securities with readily determinable fair values	1,440	115	–
Convertible debt instrument	–	–	4,773
Total	899,346	115	9,741

As of December 31, 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	1,052,149	–	–
Time deposits	42,852	–	–
Prepaid expenses and other current assets:			
U.S. Treasury securities	2,600	–	–
Convertible debt instrument	–	–	4,668
Other non-current assets (Note 4):			
Equity securities with readily determinable fair values	3,046	542	–
Convertible debt instrument	–	–	4,215
Total	1,100,647	542	8,883

The Company's cash equivalents are highly liquid investments with original maturities of 3 months or less. The Company's investments in available-for-sale debt securities include U.S. Treasury 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"), a publicly-traded biotechnology company. The common stock investment is measured and carried at fair value and classified as a Level 1 investment. The warrants to purchase additional shares of common stock are measured using the Black-Scholes option-pricing valuation model and classified as a Level 2 investment. Refer to Note 4, *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 private biotech companies. The Company 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 expense, net.

As of June 30, 2024 and December 31, 2023, 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.

3. 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. For detailed descriptions of each arrangement, see the Company's Form 10-K for the year ended December 31, 2023 filed with the U.S. Securities and Exchange Commission on February 26, 2024.

Out-Licensing Arrangements

For the six months ended June 30, 2024, the Company's collaboration revenue consisted primarily of revenue generated under the Novartis broad markets agreement. For the six months ended June 30, 2023, the Company's collaboration revenue primarily consisted of the recognition of previously deferred revenue from its former collaboration agreements with Novartis for tislelizumab and ociperlimab.

The following table summarizes total collaboration revenue recognized for the six months ended June 30, 2024 and 2023:

	Six Months Ended June 30,	
	2024	2023
Revenue from Collaborators	**US$'000**	**US$'000**
Research and development service revenue	–	20,380
Right to access intellectual property revenue	–	52,497
Other	12,754	6,149
Total	12,754	79,026

Novartis

Tislelizumab Collaboration and License

In September 2023, the Company and Novartis agreed to mutually terminate the tislelizumab collaboration and license agreement. Pursuant to the termination agreement, the Company regained full, global rights to develop, manufacture and commercialize tislelizumab with no royalty payments due to Novartis. Novartis may continue its ongoing clinical trials and has the ability to conduct future combination trials with tislelizumab subject to BeiGene's approval. BeiGene agreed to provide Novartis with ongoing clinical supply of tislelizumab to support its clinical trials. Pursuant to the termination agreement, Novartis agreed to provide transition services to the Company to enable key aspects of the tislelizumab development and commercialization plan to proceed without disruption, including manufacturing, regulatory, safety and clinical support. Upon termination of the agreement in September 2023, there were no further performance obligations, and the remaining deferred revenue balance associated with the tislelizumab R&D services was recognized in full.

No research and development service collaboration revenue was recognized in connection with the tislelizumab collaboration and license agreement during the six months ended June 30, 2024 due to termination of the agreement in 2023. The following table summarizes revenue recognized related to the sale of tislelizumab clinical supply to Novartis for the six months ended June 30, 2024 and research and development service revenue recognized for the six months ended June 30, 2023:

	Six Months Ended June 30,	
	2024	**2023**
	US$'000	**US$'000**
Research and development service revenue	–	16,796
Other [(1)]	2,113	5,013
Total	2,113	21,809

(1) Represents revenue recognized on final shipment of tislelizumab clinical supply to Novartis in conjunction with the former collaboration.

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

In July 2023, the Company and Novartis mutually agreed to terminate the ociperlimab option, collaboration and license agreement. Pursuant to the termination agreement, the Company regained full, global rights to develop, manufacture and commercialize ociperlimab. Upon termination the Company had no further performance obligations under the collaboration, and all remaining deferred revenue balances were recognized in full. The China broad markets agreement remains in place.

The following table summarizes collaboration revenue recognized in connection with the China broad markets agreement for the six months ended June 30, 2024 and the terminated ociperlimab option, collaboration and license agreement for the six months ended June 30, 2023:

	Six Months Ended June 30,	
	2024	**2023**
	US$'000	**US$'000**
Research and development service revenue	–	3,583
Right to access intellectual property revenue	–	52,497
China broad markets agreement	8,501	2,636
Total	8,501	58,716

In-Licensing Arrangements – Commercial

Amgen

During the six months ended June 30, 2024 and 2023, the Company recorded the following amounts related to its collaboration arrangement with Amgen. For a detailed description of the arrangement and related rights and obligation, see the Company's Form 10-K for the year ended December 31, 2023 filed on February 26, 2024.

Amounts recorded related to the Company's portion of the co-development funding on the pipeline assets for six months ended June 30, 2024 and 2023 were as follows:

	Six Months Ended June 30,	
	2024	**2023**
	US$'000	**US$'000**
Research and development expense	35,966	23,274
Amortization of research and development cost share liability	35,039	22,669
Total amount due to Amgen for BeiGene's portion of the development funding	71,005	45,943

	As of June 30, 2024
	US$'000
Remaining portion of development funding cap	412,647

As of June 30, 2024 and December 31, 2023, the research and development cost share liability recorded in the Company's balance sheet was as follows:

	As of	
	June 30, 2024 US$'000	December 31, 2023 US$'000
Research and development cost share liability, current portion	84,615	68,004
Research and development cost share liability, non-current portion	119,012	170,662
Total research and development cost share liability	203,627	238,666

The total reimbursement paid under the commercial profit-sharing agreement for product sales is classified in the income statement for the six months ended June 30, 2024 and 2023 as follows:

	Six Months Ended June 30,	
	2024 US$'000	2023 US$'000
Cost of sales – product	18,159	1,184
Research and development	(1,144)	1,311
Selling, general and administrative	(39,253)	(29,388)
Total	(22,238)	(26,893)

The Company purchases commercial inventory from Amgen to distribute in China. Inventory purchases amounted to US$109,879,000 during the six months ended June 30, 2024, and US$39,277,000 during the six months ended June 30, 2023. Net amounts payable to Amgen was US$66,824,000 and US$55,474,000 as of June 30, 2024 and December 31, 2023, respectively.

In-Licensing Arrangements – Development

The Company has in-licensed the rights to develop, manufacture and, if approved, commercialize multiple development stage drug candidates globally or in specific territories. These arrangements typically include non-refundable upfront payments, contingent obligations for potential development, regulatory and commercial performance milestone payments, cost-sharing arrangements, royalty payments, and profit sharing.

Upfront and milestone payments incurred under these arrangements for the six months ended June 30, 2024 and 2023 are set forth below. All upfront and development milestones were expensed to research and development expense.

		Six Months Ended June 30,	
Payments due to collaboration partners	**Classification**	2024 US$'000	2023 US$'000
Upfront payments	Research and development expense	27	–
Development milestones incurred	Research and development expense	46,500	–
Total		46,527	–

4. Restricted Cash and Investments

Restricted Cash

The Company's restricted cash 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. Restricted cash as of June 30, 2024 and December 31, 2023 was as follows:

	As of	
	June 30, 2024 US$'000	**December 31, 2023 US$'000**
Short-term restricted cash	23,155	11,473
Long-term restricted cash	2,121	2,711
Total	25,276	14,184

In addition to the restricted cash balances above, the Company is required by the PRC securities law to use the proceeds from its offering on the STAR Market of the Shanghai Stock Exchange (the "STAR Offering") in strict compliance with the planned uses as disclosed in the prospectus of the STAR Offering (the "STAR Prospectus") as well as those disclosed in the Company's proceeds management policy approved by the board of directors. As of June 30, 2024, the Company had cash remaining related to the STAR Offering proceeds of US$856,722,000.

Investments in Equity Securities

The following table summarizes the Company's investments in equity securities:

	As of	
	June 30, 2024 US$'000	**December 31, 2023 US$'000**
Equity securities with readily determinable fair values [(1)]		
Fair value of Leap common stock	1,440	3,046
Fair value of Leap warrants	115	542
Equity securities without readily determinable fair values		
Pi Health, Inc. [(2)]	40,798	–
Other	54,865	55,860
Equity-method investments	37,780	25,981
Total	134,998	85,429

(1) Represents common stock and warrants to purchase additional shares of common stock of Leap Therapeutics, Inc. ("Leap"). The Company measures the investment in the common stock and warrants at fair value, with changes in fair value recorded to other expense, net.

(2) In the first quarter of 2024, the Company divested the net assets comprising substantially all of its Pi Health business with a carrying value of US$38,063,000. The consideration received for the divestiture consisted of preferred stock in a newly formed entity, Pi Health, Inc., with a fair value of US$40,798,000 and cash consideration of US$1,000,000. The transaction resulted in a pre-tax gain of US$3,735,000 recorded within other expense, net during the six months ended June 30, 2024. The Company will account for its investment prospectively as a private equity security without a readily determinable fair value and the divestiture is not treated as a discontinued operation in the Statement of Operations and therefore the historical results of operations of the Pi Health business will remain in the Company's continuing operations.

The following table summarizes unrealized (losses) gains related to investments in equity securities recorded in other expense, net for the six months ended June 30, 2024 and 2023:

	Six Months Ended June 30,	
	2024	**2023**
	US$'000	**US$'000**
Equity securities with readily determinable fair values	(2,033)	(636)
Equity securities without readily determinable fair values	(797)	1,081
Equity-method investments	(4,873)	(2,624)

5. Accounts Receivable, net

	As of	
	June 30, 2024	**December 31, 2023**
	US$'000	**US$'000**
Accounts receivable	530,300	360,053
Impairment	(851)	(2,026)
Total	529,449	358,027

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, 2024	**December 31, 2023**
	US$'000	**US$'000**
Within 6 months	528,516	356,243
6 months to 12 months	933	1,784
Total	529,449	358,027

The roll-forward of the allowance for credit losses related to trade accounts receivable for the six months ended June 30, 2024 and 2023 consists of the following activity:

	Six Months Ended June 30,	
	2024	2023
	US$'000	US$'000
Balance at beginning of the period	2,026	211
Current period provision for expected credit losses	(1,214)	234
Amounts written-off	(1)	(43)
Exchange rate changes	40	(16)
Balance at end of the period	851	386

6. Inventories, Net

The Company's inventories, net consisted of the following:

	As of	
	June 30, 2024	December 31, 2023
	US$'000	US$'000
Raw materials	143,655	148,772
Work in process	59,499	39,098
Finished goods	240,106	228,252
Total inventories, net	443,260	416,122

7. Property, Plant and Equipment, Net

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

	As of	
	June 30, 2024	December 31, 2023
	US$'000	US$'000
Land	65,485	65,485
Building	304,854	231,656
Manufacturing equipment	227,146	186,856
Laboratory equipment	216,673	205,349
Leasehold improvement	60,382	60,124
Software, electronics and office equipment	67,649	83,281
Property, plant and equipment, at cost	942,189	832,751
Less: accumulated depreciation	(289,114)	(249,212)
Construction in progress	863,416	740,615
Property, plant and equipment, net	1,516,491	1,324,154

The Company has made a significant investment in its newly opened manufacturing and R&D center in Hopewell, New Jersey. As of June 30, 2024, the Company had land and construction in progress of US$677,126,000 related to the Hopewell facility, the majority of which will be put into service in the second half of 2024.

In March 2024, the Company acquired a land use right and the facility currently being constructed on the land for US$73,373,000. The Company plans to complete the construction of the facility and build a research and development center on the land. Based on the relative fair values of the land use right and construction in progress, US$28,699,000 of the total purchase price was allocated to the land use right and US$44,674,000 was allocated to the construction in progress. In May 2024, the Company acquired additional construction in progress in connection with the properties for US$22,637,000. As of June 30, 2024, title of the land use right was being transitioned to the Company. As such, the purchase price allocated to the land use right was recorded as a long-term prepaid as of June 30, 2024 and will be transferred to operating lease right-of-use asset upon the closing of the transaction.

Depreciation expense was US$47,864,000 for the six months ended June 30, 2024, and US$40,332,000 for the six months ended June 30, 2023, respectively.

8. Intangible Assets

Intangible assets as of June 30, 2024 and December 31, 2023 are summarized as follows:

	As of					
	June 30, 2024			December 31, 2023		
	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:						
Developed products	63,098	(10,054)	53,044	64,274	(7,807)	56,467
Other	8,987	(8,316)	671	8,987	(8,316)	671
Total finite-lived intangible assets	72,085	(18,370)	53,715	73,261	(16,123)	57,138

Developed products represent 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.

Amortization expense for developed products is included in cost of sales – product in the accompanying consolidated statements of operations. Amortization expense for other intangible assets is included in operating expenses in the accompanying consolidated statements of operations.

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

	Six Months Ended June 30,	
	2024 US$'000	2023 US$'000
Amortization expense – Cost of sales – product	2,360	1,639
Amortization expense – Operating expense	–	375
Total	2,360	2,014

Estimated amortization expense for each of the five succeeding years and thereafter, as of June 30, 2024 is as follows:

Year Ending December 31,	Cost of Sales – Product US$'000	Operating Expenses US$'000	Total US$'000
2024 (remainder of year)	2,348	67	2,415
2025	4,696	67	4,763
2026	4,696	67	4,763
2027	4,696	67	4,763
2028	4,696	67	4,763
2029 and thereafter	31,912	336	32,248
Total	53,044	671	53,715

9. Income Taxes

Income tax expense was US$22,209,000 for the six months ended June 30, 2024, and US$25,166,000 for the six months ended June 30, 2023. The income tax expense for the six months ended June 30, 2024 and 2023 was primarily attributable to current U.S. tax expense determined after other special tax deductions and research and development tax credits, current Switzerland tax expense based on year to date earnings, and current China tax expense due to certain non-deductible expenses.

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, 2024, the Company will maintain a full valuation allowance against its net deferred tax assets.

As of June 30, 2024, the Company had gross unrecognized tax benefits of US$15,804,000. 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$1,540,000 in the six months ended June 30, 2024 primarily due to U.S. federal and state tax credits and incentives.

10. Supplemental Balance Sheet Information

Prepaid expenses and other current assets consist of the following:

	As of	
	June 30, 2024 US$'000	**December 31, 2023 US$'000**
Prepaid research and development costs	68,234	60,476
Prepaid manufacturing cost	32,986	42,066
Prepaid taxes	32,193	37,320
Other receivables	58,776	37,859
Short-term restricted cash	23,155	11,473
Prepaid insurance	10,158	8,872
Other current assets	48,156	59,399
Total	273,658	257,465

Other non-current assets consist of the following:

	As of	
	June 30, 2024 US$'000	**December 31, 2023 US$'000**
Prepayment of property and equipment[(1)]	34,335	4,144
Prepaid supply cost	12,487	18,122
Prepaid VAT	2,602	2,546
Rental deposits and other	8,002	8,195
Long-term restricted cash	2,121	2,711
Long-term investments (Note 4)	139,771	89,644
Total	199,318	125,362

(1) Includes payment for acquired land use right in Shanghai, China that was in the process of being transitioned to the Company as of June 30, 2024 (See Note 7).

Accrued expenses and other payables consist of the following:

	As of	
	June 30, 2024 US$'000	December 31, 2023 US$'000
Compensation related	167,960	217,803
External research and development activities related	133,412	162,969
Commercial activities	70,641	87,572
Individual income tax and other taxes	48,466	30,083
Sales rebates and returns related	173,263	139,936
Other	52,796	55,368
Total	646,538	693,731

Other long-term liabilities consist of the following:

	As of	
	June 30, 2024 US$'000	December 31, 2023 US$'000
Deferred government grant income	32,021	34,204
Pension liability	14,639	14,995
Asset retirement obligation	1,101	1,127
Other	3,772	484
Total	51,533	50,810

11. 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, 2024 US$'000	December 31, 2023 US$'000
Within 3 months	324,947	302,310
3 to 6 months	2,967	8,205
6 months to 1 year	4,843	4,551
Over 1 year	265	45
Total	333,022	315,111

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

12. Debt

The following table summarizes the Company's short-term and long-term debt obligations as of June 30, 2024 and December 31, 2023:

Lender	Line of Credit US$'000/ RMB'000	Term	Maturity Date	Interest Rate	As of June 30, 2024		As of December 31, 2023	
					US$'000	RMB'000	US$'000	RMB'000
China Construction Bank	RMB580,000	9-year	April 4, 2027	(1)	15,136	110,000	14,089	100,000
China Merchants Bank	RMB350,000	9-year	January 20, 2029	(2)	8,649	62,857	8,856	62,857
China Merchants Bank	RMB378,000	9-year	November 8, 2029	(3)	6,848	49,765	5,636	40,000
China Merchants Bank	US$380,000	1-year	(4)		380,000	2,761,628	300,000	2,129,321
China Minsheng Bank	US$150,000	1-year	December 19, 2024	7.3%	150,000	1,090,116	150,000	1,064,660
China Industrial Bank	RMB 675,000	364-day	March 27, 2025	(5)	92,880	675,000	–	–
China Merchants Bank	RMB 400,000	1-year	June 5, 2025	3.0%	55,040	400,000	56,356	400,000
HSBC Bank	RMB 340,000	1-year	May 5, 2025	(6)	46,784	340,000	47,903	340,000
China Industrial Bank	RMB 200,000	1-year	May 29, 2024	–	–	–	28,177	200,000
Shanghai Pudong Development Bank	RMB 700,000	1-year	(7)	2.9%	96,320	700,000	49,312	350,000
Other short-term debt (8)					–	–	28,037	199,000
Total short-term debt					851,657	6,189,366	688,366	4,885,838
China Construction Bank	RMB580,000	9-year	April 4, 2027	(1)	49,536	360,000	59,174	420,000
China Merchants Bank	RMB350,000	9-year	January 20, 2029	(2)	32,434	235,714	37,638	267,143
China Merchants Bank	RMB378,000	9-year	November 8, 2029	(3)	37,253	270,735	42,337	300,500
China CITIC Bank	RMB480,000	10-year	July 28, 2032	(9)	66,048	480,000	58,469	415,000
Total long-term bank loans					185,271	1,346,449	197,618	1,402,643

(1) The outstanding borrowings bear floating interest rates benchmarking RMB loan interest rates of financial institutions in the PRC. The loan interest rate was 4.2% as of June 30, 2024. The loan is secured by BeiGene Guangzhou Factory's property ownership certificate. The Company repaid US$6,886,000 (RMB50,000,000) during the six months ended June 30, 2024.

(2) The outstanding borrowings bear floating interest rates benchmarking against prevailing interest rates of certain PRC financial institutions. The loan interest rate was 3.7% as of June 30, 2024. The loan is secured by BeiGene Guangzhou Factory's second land use right and certain fixed assets in the second phase of the Guangzhou manufacturing facility's build out. The Company repaid US$4,362,000 (RMB31,429,000) during the six months ended June 30, 2024.

(3) The outstanding borrowings bear floating interest rates benchmarking RMB loan interest rates of financial institutions in the PRC. The loan interest rate was 3.9% as of June 30, 2024. 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$2,772,000 (RMB20,000,000) during the six months ended June 30, 2024.

(4) The outstanding borrowings bear floating interest rates benchmarking the secured overnight financing rate. The loan interest rate was 7.2% as of June 30, 2024. US$300,000,000 of the borrowings matures on December 25, 2024, and US$80,000,000 matures on January 27, 2025.

(5) The outstanding borrowings bear floating interest rates benchmarking RMB loan interest rates of financial institutions in the PRC. The loan interest rate was 2.6% as of June 30, 2024.

(6) The outstanding borrowings bear floating interest rates benchmarking Hong Kong interbank market rate for RMB. The loan interest rate was 5.7% as of June 30, 2024.

(7) US$48,160,000 (RMB350,000,000) of the outstanding borrowings matures on November 21, 2024 and March 19, 2025, respectively.

(8) During the two years ended December 31, 2023, 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. The Company repaid US$27,476,000 (RMB199,000,000) during the six months ended June 30, 2024.

(9) 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$9,053,000 (RMB65,000,000) during the six months ended June 30, 2024. The weighted average loan interest rate was 3.9% as of June 30, 2024. The loan is secured by BeiGene Suzhou's property ownership certificate of the small molecule manufacturing campus in Suzhou, China.

The Company has numerous financial and non-financial covenants on its debt obligations with various banks and other lenders. Some of these covenants include cross-default provisions that could require acceleration of repayment of loans in the event of default. However, the Company's debt is primarily short-term in nature. Any acceleration would be a matter of months but may impact the Company's ability to refinance debt obligations if an event of default occurs. As of June 30, 2024, the Company was in compliance with all covenants of its material debt agreements.

Interest Expense

Interest expense recognized for the six months ended June 30, 2024 was US$25,637,000, among which, US$17,521,000 was capitalized. Interest expense recognized for the six months ended June 30, 2023 was US$9,465,000, among which, US$772,000 was capitalized.

13. Product Revenue

The Company's product revenue is primarily derived from the sale of its internally developed products BRUKINSA in the U.S., Europe, China, and other regions, and tislelizumab in China; XGEVA®, BLINCYTO® and KYPROLIS® in China under a license from Amgen; 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, 2024 and 2023.

	Six Months Ended June 30,	
	2024	**2023**
	US$'000	**US$'000**
Product revenue – gross	2,111,619	1,176,933
Less: Rebates and sales returns	(443,555)	(212,897)
Product revenue – net	1,668,064	964,036

The following table disaggregates net product sales by product for the six months ended June 30, 2024 and 2023:

	Six Months Ended June 30,	
	2024	**2023**
	US$'000	**US$'000**
BRUKINSA®	1,125,914	519,658
Tislelizumab	303,687	264,314
XGEVA®	98,435	44,165
BLINCYTO®	33,497	25,524
KYPROLIS®	30,047	15,995
POBEVCY®	28,205	27,764
REVLIMID®	21,366	45,005
Other	26,913	21,611
Total product revenue – net	1,668,064	964,036

The following table presents the roll-forward of accrued sales rebates and returns for the six months ended June 30, 2024 and 2023:

	Six Months Ended June 30,	
	2024	**2023**
	US$'000	**US$'000**
Balance at beginning of the period	139,936	41,817
Accrual	443,555	212,897
Payments	(410,228)	(169,123)
Balance at end of the period	173,263	85,591

14. Loss Before Income Tax Expense

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

	Note	Six Months Ended June 30, 2024 US$'000	2023 US$'000
Cost of inventories sold		263,067	177,779
Depreciation of property, plant and equipment		47,970	40,332
Research and development costs (note)		915,104	831,348
Operating lease cost		13,235	13,429
Amortization of license rights	8	2,360	2,014
Employee benefit expense (including directors' and chief executive's remuneration):			
Wages, salaries and other benefits		633,187	542,029
Share-based compensation expenses		219,408	178,717
Pension scheme contributions (defined contribution scheme)		39,220	32,302
		891,815	753,048
Gain on deconsolidation of a subsidiary		(3,735)	–
Foreign exchange differences, net		13,523	68,911
(Reversal of impairment)/Impairment of accounts receivable, net	5	(1,214)	234
Impairment of inventories		2,484	3,030
Bank interest income		(38,145)	(40,584)

Note:

During the six months ended June 30, 2024 and 2023, research and development costs of approximately US$384,854,000 and US$344,713,000 were also included in employee benefit expense.

15. 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, 2024 US$'000	2023 US$'000
Numerator:		
Net loss	(371,555)	(729,568)
Denominator:		
Weighted average shares outstanding for computing basic and diluted loss per share	1,358,315,145	1,357,211,308
Loss per share (in US$)	(0.27)	(0.54)

For the six months ended June 30, 2024 and 2023, 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.

16. 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 Stock Market, 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. In December 2018, the shareholders approved a second 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 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.

In order to continue to provide incentive opportunities under the 2016 Plan, the Board of Directors and shareholders of the Company approved another 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. In June 2024, the shareholders of the Company approved a third amended and restated 2016 Plan (the "Amended 2016 Plan") to comply with certain amendments of Chapter 17 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "HK Listing Rules") and to increase the number of shares available for issuance thereunder by 92,820,000 ordinary shares.

As of June 30, 2024, ordinary shares cancelled or forfeited under the 2011 Plan that were carried over to the Amended 2016 Plan totaled 5,166,848. During the six months ended June 30, 2024, the Company granted options for 8,394,737 ordinary shares, restricted share units for 42,514,355 ordinary shares, and performance share units for 2,287,402 ordinary shares under the Amended 2016 Plan. As of June 30, 2024, options, restricted share units, and performance share units for ordinary shares outstanding under the Amended 2016 Plan totaled 67,378,462, 87,422,244, and 2,287,402, respectively. As of June 30, 2024, share-based awards to acquire 82,059,496 ordinary shares were available for future grant under the Amended 2016 Plan.

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 August 2018, in connection with the Company's listing on the Hong Kong Stock Exchange ("HKEX"), the board of directors approved an amended and restated ESPP to remove an "evergreen" share replenishment provision originally included in the plan and implemented other changes required by the HK Listing Rules. In December 2018, the shareholders of the Company approved a second 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. In June 2024, the shareholders approved a fourth amended and restated ESPP (the "Amended ESPP") to comply with certain amendments of Chapter 17 of the HK Listing Rules and to increase the number of shares available for sale thereunder by 5,070,000 shares. The Amended 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, 2024, 5,989,678 ordinary shares were available for future issuance under the Amended 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 29, 2024	1,021,397	165.65	12.74	140.80	10.83	11,063
August 31, 2023	794,144	207.55	15.97	176.42	13.57	10,777
February 28, 2023	930,582	171.10	13.16	145.44	11.19	10,414

1 The market price is the lower of the closing price on the Nasdaq Stock Market 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.

Share-Based Compensation Expense

The following table summarizes total share-based compensation expense recognized for the six months ended June 30, 2024 and 2023:

	Six Months Ended June 30,	
	2024 US$'000	2023 US$'000
Research and development	93,451	79,976
Selling, general and administrative	125,957	98,741
Total	219,408	178,717

17. 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, 2023	(87,987)	35	(11,494)	(99,446)
Other comprehensive (loss) income before reclassifications	(41,399)	(35)	–	(41,434)
Amounts reclassified from accumulated other comprehensive income (loss)	–	–	406	406
Net-current period other comprehensive (loss) income	(41,399)	(35)	406	(41,028)
Balance as of June 30, 2024	(129,386)	–	(11,088)	(140,474)

18. Shareholders' Equity

BMS Settlement

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. In consideration for the shares being returned, the Company agreed to drop its claims 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. The receipt of the shares occurred on August 15, 2023. The Company recorded a noncash gain upon receipt of US$362,917,000, which represents the fair value on the day the shares were received. The gain was recorded within other expense, net in the consolidated statements of operations. The shares were constructively retired as of December 31, 2023. The Company recorded the amount of the cancelled shares in excess of par to additional paid-in capital.

19. 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.

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, 2024 and December 31, 2023, the net cash of the Company's PRC subsidiaries amounted to US$1,378,872,000 and US$1,837,790,000, respectively.

20. Commitments and Contingencies

Purchase Commitments

As of June 30, 2024, the Company had non-cancellable purchase commitments amounting to US$120,366,000, of which US$28,822,000 related to minimum purchase requirements for supply purchased from contract manufacturing organizations and US$91,544,000 related to binding purchase obligations of inventory from Amgen. The Company does not have any minimum purchase requirements for inventory from Amgen.

Capital Commitments

The Company had capital commitments amounting to US$62,576,000 for the acquisition of property, plant and equipment as of June 30, 2024, related to various facilities across the globe, including the manufacturing and clinical R&D campus in Hopewell, New Jersey.

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, 2024, the Company's remaining co-development funding commitment was US$412,647,000.

Funding Commitment

The Company had committed capital related to two equity-method investments in the amount of US$15,054,000. As of June 30, 2024, the remaining capital commitment was US$8,154,000 and is expected to be paid from time to time over the investment period.

21. 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, 2024 and 2023:

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, 2024 and 2023 consisted of (i) US$50,000 (2023: US$50,000) in consulting fees, (ii) US$75,000 (2023: US$75,000) as a performance-based cash bonus, (iii) share-based compensation expenses for options and RSUs of US$2,099,000 (2023: US$2,017,000).

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

	Six Months Ended June 30,	
	2024	**2023**
	US$'000	**US$'000**
Short term employee benefits	3,786	2,914
Post-employment benefits	75	32
Share-based compensation expenses	21,106	19,857
Total compensation paid to key management personnel	24,967	22,803

22. 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 U.S. and the PRC.

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 revenues by geographic area are presented as follows:

	Six Months Ended June 30,	
	2024	**2023**
	US$'000	**US$'000**
U.S. - total revenue	**832,886**	**416,830**
Product revenue	830,821	362,307
Collaboration revenue	2,065	54,523
China – total revenue	**672,446**	**543,464**
Product revenue	662,774	540,828
Collaboration revenue	9,672	2,636
Europe – total revenue	**149,249**	**67,690**
Product revenue	148,232	45,823
Collaboration revenue	1,017	21,867
Rest of world – total revenue	**26,237**	**15,078**
Product revenue	26,237	15,078
Collaboration revenue	–	–
Total Revenue	**1,680,818**	**1,043,062**

23. 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 ("IFRSs"). The effects of material differences between the financial information of the Company prepared under U.S. GAAP and IFRSs are as follows:

	Six months ended June 30, 2024				
	Amounts as reported under U.S. GAAP	IFRSs adjustments			Amounts under IFRSs
Consolidated statement of operations data	US$'000	Share-based compensation (note (i)) US$'000	Income taxes in the interim period (note (iii)) US$'000	Lease (note (iv)) US$'000	US$'000
Research and development	(915,104)	(10,395)	–	811	(924,688)
Selling, general and administrative	(871,156)	(12,922)	–	1,000	(883,078)
Interest income (expense), net	29,385	–	–	(1,286)	28,099
Loss before income tax expense	(349,346)	(23,317)	–	525	(372,138)
Income tax expense	(22,209)	–	(2,951)	–	(25,160)
Net loss	(371,555)	(23,317)	(2,951)	525	(397,298)

	Six months ended June 30, 2023				
	Amounts as reported under U.S. GAAP	IFRSs adjustments			Amounts under IFRSs
Consolidated statement of operations data	US$'000	Share-based compensation (note (i)) US$'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) income	(25,166)	(1,567)	7,376	–	(19,357)
Net loss	(729,568)	(28,231)	7,376	(76)	(750,499)

* IFRSs adjustments brought forward from prior years.

	As at June 30, 2024					
	Amounts as reported under U.S. GAAP	IFRSs adjustments				Amounts under IFRSs
Consolidated balance sheet data	US$'000	Share-based compensation (note (i)) US$'000	Preferred Shares (note (ii)) US$'000	Income taxes in the interim period (note (iii)) US$'000	Lease (note (iv)) US$'000	US$'000
Operating lease right-of-use assets	103,633	–	–	–	(1,859)	101,774
Total assets	5,712,179	–	–	–	(1,859)	5,710,320
Tax payable	5,278	–	–	2,951	–	8,229
Total Liability	2,345,924	–	–	2,951	–	2,348,875
Additional paid-in capital	11,840,197	23,317 276,729*	– 307,894*	– –	– –	12,448,137
Accumulated deficit	(8,333,605)	(23,317) (276,729)*	– (307,894)*	(2,951) –	525 (2,384)*	(8,946,355)
Total equity	3,366,255	–	–	(2,951)	(1,859)	3,361,445

	As at December 31, 2023				
	Amounts as reported under U.S. GAAP	IFRSs adjustments			Amounts under IFRSs
Consolidated balance sheet data	US$'000	Share-based compensation (note (i)) US$'000	Preferred Shares (note (ii)) US$'000	Lease (note (iv)) US$'000	US$'000
Operating lease right-of-use assets	95,207	–	–	(2,384)	92,823
Total assets	5,805,275	–	–	(2,384)	5,802,891
Additional paid-in capital	11,598,688	68,687 208,042*	– 307,894*	– –	12,183,311
Accumulated deficit	(7,962,050)	(68,687) (208,042)*	– (307,894)*	(79) (2,305)*	(8,549,057)
Total equity	3,537,327	–	–	(2,384)	3,534,943

* IFRSs adjustments brought forward from prior years.

Notes:

(i) Share based compensation

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

A difference of US$23,317,000 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 IFRSs for the six months ended June 30, 2024 (six months ended June 30, 2023: US$26,664,000).

(ii) Preferred Shares

Prior to the Company's US IPO, the Company had preferred shares, which were converted into ordinary shares at the time of the US 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 IFRSs, 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 IFRSs, 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 IFRSs, 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 IFRSs 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 IFRSs, 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.

(iv) Lease

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.

IFRSs 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.

24. Dividends

The board of directors of the Company did not recommend the distribution of any interim dividend for the six months ended June 30, 2024 (six months ended June 30, 2023: nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Non-GAAP Financial Measures

We provide certain financial measures that are not defined under U.S. GAAP, commonly referred to as non-GAAP financial measures, including Adjusted Operating Expenses and Adjusted Income (Loss) from Operations and certain other non-GAAP measures, each of which include adjustments to GAAP figures. These non-GAAP measures are intended to provide additional information on our operating performance. Adjustments to our GAAP figures exclude, as applicable, non-cash items such as share-based compensation, depreciation and amortization. Certain other special items or substantive events may also be included in the non-GAAP adjustments periodically when their magnitude is significant within the periods incurred. We maintain an established non-GAAP policy that guides the determination of what items may be excluded in non-GAAP financial measures. We believe that these non-GAAP measures, when considered together with the GAAP figures, can enhance an overall understanding of our operating performance. The non-GAAP financial measures are included with the intent of providing investors with a more complete understanding of our historical and expected financial results and trends and to facilitate comparisons between periods and with respect to projected information. In addition, these non-GAAP financial measures are among the indicators BeiGene's management uses for planning and forecasting purposes and measuring our performance. These non-GAAP financial measures should be considered in addition to, and not as a substitute for, or superior to, GAAP financial measures. The non-GAAP financial measures used by BeiGene may be calculated differently from, and therefore may not be comparable to, non-GAAP financial measures used by other companies.

Overview

BeiGene reduced GAAP operating loss and achieved positive adjusted operating income during the quarter with rapidly increasing global revenues and continued financial discipline. Having now reached this milestone, we will further build on our differentiated, strategic capabilities as a leading, global oncology innovator.

BRUKINSA is emerging as the BTKi class leader in the U.S. in new patient starts across all approved indications, demonstrating the strength of its clinical efficacy and safety data, and is the only BTKi to demonstrate superior efficacy versus ibrutinib in a head-to-head trial. With our leadership in hematology, we are working to expand into other highly prevalent cancer types, backed by one of the largest oncology research teams in the industry.

Key highlights for the second quarter of 2024 are as follows:

- Generated total revenues of US$929 million in the second quarter, an increase of 56% from the prior-year period;
- Reduced GAAP operating loss and achieved non-GAAP operating income;
- Strengthened hematology leadership with global BRUKINSA revenues of US$637 million, an increase of 107% from the prior-year period;
- Advanced pivotal programs for BCL2 inhibitor sonrotoclax and BTK-targeted degrader BGB-16673; and

- Advanced innovative solid tumor pipeline of more than 15 investigational molecules, including ADCs, multispecific antibodies, and targeted therapies for lung, breast, and gastrointestinal cancers.

Recent Business Developments

On July 23, 2024, we announced the opening of our flagship U.S. facility in Hopewell, New Jersey, at the Princeton West Innovation Campus, which houses state-of-the-art biologics manufacturing capabilities and a clinical research and development center that further bolster our differentiated model as an oncology innovator.

FUTURE AND OUTLOOK

We were founded with the vision to create an integrated biopharmaceutical company to address challenges in the pharmaceutical 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 14 years and have five strategic competitive advantages positioning us for success both near- and long-term:

1. **We have built a substantial global development and medical affairs team** of 3,000+ people on five continents, allowing us to run clinical trials predominantly without reliance on 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.

2. **We have built one of the world's largest, most productive and cost-effective oncology research teams** with 1,100+ scientists. Their efforts have been validated by commercial approvals, clinical data, and collaborations that have secured US$1.5 billion in collaboration payments to the Company. We have successfully developed three commercially approved medicines from our internal discovery engine, including BRUKINSA and TEVIMBRA. 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 ("PFS") and overall response rate versus ibrutinib in relapsed or refractory ("R/R") chronic lymphocytic leukemia ("CLL"). Our broad pipeline also includes internally developed products with the potential to be best-in-class or first-in-class, including sonrotoclax (our BCL-2 inhibitor) and BGB-16673 (a BTK-targeted CDAC) that have both demonstrated their potential with early data. Our pipeline also includes many early-stage assets for targets, including CDK4, pan-KRAS, PRMT5, CDK2, B7H3 ADC, CEA-ADC, B7H4-ADC, MUC1 x CD16A bispecific antibody ("BsAb"), and Claudin6 x CD3 BsAb. We have invested in technology platforms, including CDAC protein degraders, bispecific antibodies, tri-specific antibodies, ADCs, cell therapies, and mRNA. Our research and innovation capabilities will ensure we discover high-quality and impactful medicines for patients.

3. **We have built a strong commercial portfolio, centered around two foundational medicines, BRUKINSA and TEVIMBRA,** that are primary revenue sources and 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 6,000 patients in more than 30 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. In December 2023, the U.S. Food and Drug Administration ("FDA") approved a label update for BRUKINSA to include superior PFS results from the Phase 3 ALPINE trial comparing BRUKINSA against IMBRUVICA in patients with R/R CLL. We believe the differentiation of BRUKINSA has been recognized by the market and global BRUKINSA sales increased 116.7% for the six months ended June 30, 2024 vs. for the prior year period. BRUKINSA allows us to build a strong position in heme-oncology and we plan to solidify our leadership in CLL with sonrotoclax (BCL2i) and our BTK-CDAC while amplifying our impact in other B-cell malignancies with progressive treatment strategies such as fixed duration and rational sequencing. Our solid tumor franchise is led by our anti-PD-1 monoclonal antibody, TEVIMBRA, which is currently approved in China in thirteen indications and has achieved the commercial market leader position in China in the PD-1/PD-L1 class. Outside of China, TEVIMBRA has been approved in the U.S., Europe, UK and Australia. With TEVIMBRA and the potentially best-in-class or first-in-class pipeline assets targeting CDK4, pan-KRAS, PRMT5, CDK2, B7H3 ADC, CEA-ADC, B7H4-ADC, MUC1 x CD16A BsAb, and Claudin6 x CD3 BsAb, we are well-positioned to build our solid tumor business and deliver innovative therapies and combinations to patients.

4. **We have a differentiated global commercial organization** of over 3,700 people to deliver medicines to patients around the globe, including over 500 in North America and Europe. In North America, our team continues to grow BRUKINSA sales following the approvals in the U.S. and Canada for CLL and small lymphocytic lymphoma ("SLL") indications in 2023. In the U.S., BRUKINSA is emerging as the BTKi class leader in new patient starts across all approved indications. In China, the commercial team is marketing a total of 17 internally developed and licensed medicines across solid tumors and hematology. BRUKINSA and TEVIMBRA continue to strengthen market leadership positions in China in the BTKi and PD-1/PD-L1 classes, respectively. Altogether, BRUKINSA has been approved in more than 70 markets, with additional filings pending or planned. We reacquired the global rights of TEVIMBRA from Novartis in 2023 upon bilateral agreement. TEVIMBRA received approval in the U.S., Europe, UK and Australia, and additional approvals and filings are pending or planned. Our strategy is to commercialize our medicines broadly throughout the world. Our commercial capabilities have expanded into the Asia Pacific, Latin America and Middle East regions through our affiliates or 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 continue to 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 had cash and cash equivalents of approximately US$2.6 billion as of June 30, 2024. We already have substantial product revenue of approximately US$1.7 billion for the six months ended June 30, 2024, including from our cornerstone assets, which we expect to continue to grow significantly in 2024 and beyond. We expect product revenue growth to outpace our operating expense growth, which will allow us to continue to improve our operating leverage and cash flow. We will continue to be thoughtful and strategic in how we deploy our capital, and we are committed to generating long-term value for our shareholders.

FINANCIAL REVIEW

Results of Operations

The following table summarizes our results of operations for the six months ended June 30, 2024 and 2023:

	Six Months Ended June 30,		Change	
	2024	2023		%
	(US dollars in thousands)			
Revenues				
Product revenue, net	1,668,064	964,036	704,028	73.0%
Collaboration revenue	12,754	79,026	(66,272)	(83.9)%
Total revenues	1,680,818	1,043,062	637,756	61.1%
Cost of sales – product	263,067	177,779	85,288	48.0%
Gross profit	1,417,751	865,283	552,468	63.8%
Operating expenses				
Research and development	915,104	831,348	83,756	10.1%
Selling, general and administrative	871,156	723,533	147,623	20.4%
Amortization of intangible assets	–	375	(375)	(100.0)%
Total operating expenses	1,786,260	1,555,256	231,004	14.9%
Loss from operations	(368,509)	(689,973)	321,464	(46.6)%
Interest income, net	29,385	31,086	(1,701)	(5.5)%
Other expense, net	(10,222)	(45,515)	35,293	(77.5)%
Loss before income taxes	(349,346)	(704,402)	355,056	(50.4)%
Income tax expense	22,209	25,166	(2,957)	(11.7)%
Net loss	(371,555)	(729,568)	358,013	(49.1)%

Revenue

Total revenue increased to US$1,680.8 million, or 61.1%, for the six months ended June 30, 2024, from US$1,043.1 million for the six months ended June 30, 2023, 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, 2024 and 2023, respectively:

	Six Months Ended June 30,		Changes	
	2024	2023		%
	(US dollars in thousands)			
Product revenue	1,668,064	964,036	704,028	73.0%
Collaboration revenue:				
Research and development service revenue	–	20,380	(20,380)	(100.0)%
Right to access intellectual property revenue	–	52,497	(52,497)	(100.0)%
Other	12,754	6,149	6,605	107.4%
Total collaboration revenue	12,754	79,026	(66,272)	(83.9)%
Total Revenue	1,680,818	1,043,062	637,756	61.1%

Net product revenues consisted of the following:

	Six Months Ended June 30,		Changes	
	2024	2023		%
	(US dollars in thousands)			
BRUKINSA®	1,125,914	519,658	606,256	116.7%
Tislelizumab	303,687	264,314	39,373	14.9%
XGEVA®	98,435	44,165	54,270	122.9%
BLINCYTO®	33,497	25,524	7,973	31.2%
KYPROLIS®	30,047	15,995	14,052	87.9%
POBEVCY®	28,205	27,764	441	1.6%
REVLIMID®	21,366	45,005	(23,639)	(52.5)%
Other	26,913	21,611	5,302	24.5%
Total product revenue	1,668,064	964,036	704,028	73.0%

Net product revenue increased 73.0% to US$1,668.1 million for the six months ended June 30, 2024, compared to US$964.0 million in the prior-year period, primarily due to increased sales of BRUKINSA in the U.S. 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$1,125.9 million in the six months ended June 30, 2024, representing a 116.7% increase compared to the prior-year period. U.S. sales of BRUKINSA totaled US$830.8 million in the six months ended June 30, 2024, compared to US$362.3 million in the prior-year period, representing growth of 129.3%. U.S. sales continued to accelerate in the period, as BRUKINSA gained share in TN CLL and emerged as the BTKi class leader in new-patient share in CLL. BRUKINSA sales in Europe totaled US$148.2 million in the six months ended June 30, 2024, representing growth of 223.5% compared to the prior-year period, driven by continued gains in market share across all major markets.

Sales of tislelizumab in China totaled US$303.5 million in the six months ended June 30, 2024, compared to US$264.3 million representing a 14.8% increase compared to the prior-year period. In the six months ended June 30, 2024, 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.

Sales of Amgen products in China totaled US$162.0 million in the six months ended June 30, 2024, compared to US$85.7 million in the prior-year period, driven primarily by increased XGEVA sales volume.

Collaboration revenue totaled US$12.8 million for the six months ended June 30, 2024, primarily related to revenue generated under the Novartis broad markets marketing and promotion agreement. Collaboration revenue totaled US$79.0 million for the six months ended June 30, 2023, recognized from deferred revenue associated with the former Novartis tislelizumab and ociperlimab collaborations.

Cost of Sales

Cost of sales increased to US$263.1 million for the six months ended June 30, 2024 from US$177.8 million for the six months ended June 30, 2023, 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$1,405.0 million for the six months ended June 30, 2024, compared to US$786.3 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 84.2% for the six months ended June 30, 2024, from 81.6% in the comparable period of the prior year. The increase is primarily due to a proportionally higher sales mix of global BRUKINSA compared to other products in the portfolio.

Research and Development Expense

Research and development expense increased by US$83.8 million, or 10.1%, to US$915.1 million for the six months ended June 30, 2024 from US$831.3 million for the six months ended June 30, 2023. The following table summarizes external clinical, external non-clinical and internal research and development expense for the six months ended June 30, 2024 and 2023, respectively:

	Six Months Ended June 30,		Changes	
	2024	2023		%
	(US dollars in thousands)			
External research and development expense:				
Cost of development programs	247,633	258,219	(10,586)	(4.1)%
Upfront license and development milestone fees	46,528	–	46,528	NA
Amgen co-development expense[1]	35,966	23,274	12,692	54.5%
Total external research and development expenses	330,127	281,493	48,634	17.3%
Internal research and development expenses	584,977	549,855	35,122	6.4%
Total research and development expenses	915,104	831,348	83,756	10.1%
Adjusted research and development expenses[2]	787,949	725,431	62,518	8.6%

1. Our co-funding obligation for the development of the pipeline assets under the Amgen collaboration for the six months ended June 30, 2024 totaled US$71.0 million, of which US$36.0 million was recorded as R&D expense. The remaining US$35.0 million was recorded as a reduction of the R&D cost share liability.

2. Adjusted research and development expense is intended to provide investors and others with information about our performance without the effect of items that, by their nature, tend to obscure core operating results due to potential variability across periods based on the timing, frequency and magnitude of such items. Refer to Non-GAAP Financial Measures and Non-GAAP Reconciliation in this MD&A for more information about, and a detailed reconciliation of, these items.

The increase in external research and development expenses in the six months ended June 30, 2024 was primarily attributable to higher development milestone fees and increases in Amgen co-development expense, partially offset by lower external clinical trial costs as certain programs wind down and we continue efforts to internalize research and clinical trial activities.

Internal research and development expense increased US$35.1 million, or 6.4%, to US$585.0 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.

Selling, General and Administrative Expense

	Six Months Ended June 30,		Changes	
	2024	2023		%
	(US dollars in thousands)			
Selling, general and administrative expenses	871,156	723,533	147,623	20.4%
Adjusted selling, general and administrative expenses[1]	736,068	614,761	121,307	19.7%

1. Adjusted selling, general and administrative expense is intended to provide investors and others with information about our performance without the effect of items that, by their nature, tend to obscure core operating results due to potential variability across periods based on the timing, frequency and magnitude of such items. Refer to Non-GAAP Financial Measures and Non-GAAP Reconciliation in this MD&A for more information about, and a detailed reconciliation of, these items.

Selling, general and administrative expense increased by US$147.6 million, or 20.4%, to US$871.2 million, for the six months ended June 30, 2024, from US$723.5 million for the six months ended June 30, 2023. The increase was primarily attributable to investing in the expansion of our commercial activities to support our product launches, primarily BRUKINSA in the U.S. and Europe to drive continued revenue and margin expansion. Selling, general and administrative expenses as a percentage of product sales were 52.2% for the six months ended June 30, 2024 compared to 75.1% in the prior-year period. We expect selling and marketing expenses to increase in 2024 as product sales increase and we expect selling, general and administrative expenses as a percentage of revenue to decrease gradually throughout 2024.

Interest Income, Net

Interest income, net decreased by US$1.7 million, or 5.5%, to US$29.4 million for the six months ended June 30, 2024, from US$31.1 million for the six months ended June 30, 2023. The decrease in interest income was primarily attributable to lower interest rates earned on our cash and cash equivalents. Interest expense remained flat as the increase in interest expense resulting from a higher debt balance was offset by higher interest capitalized related to Hopewell construction in process.

Other Expense, Net

Other expense, net decreased to US$10.2 million for the six months ended June 30, 2024, from US$45.5 million for the six months ended June 30, 2023. 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.

Income Tax Expense

Income tax expense decreased to US$22.2 million for the six months ended June 30, 2024, from US$25.2 million for the six months ended June 30, 2023. The income tax expense for the six months ended June 30, 2024 and June 30, 2023 was primarily attributable to current U.S. tax expense determined after other special deductions and research and development tax credits, current Switzerland tax expense based on year to date earnings, and current China tax expense due to certain non-deductible expenses.

Non-GAAP Reconciliation

	Six Months Ended June 30,	
	2024	2023
	(US dollar in thousands)	
Reconciliation of GAAP to adjusted cost of sales – products:		
GAAP cost of sales – products	263,067	177,779
Less: Depreciation	5,029	4,360
Less: Amortization of intangibles	2,360	1,639
Adjusted cost of sales – products	255,678	171,780
Reconciliation of GAAP to adjusted research and development:		
GAAP research and development	915,104	831,348
Less: Share-based compensation expenses	93,451	79,976
Less: Depreciation	33,704	25,941
Adjusted research and development	787,949	725,431
Reconciliation of GAAP to adjusted selling, general and administrative:		
GAAP selling, general and administrative	871,156	723,533
Less: Share-based compensation expenses	125,957	98,741
Less: Depreciation	9,131	10,031
Adjusted selling, general and administrative	736,068	614,761
Reconciliation of GAAP to adjusted operating expenses		
GAAP operating expenses	1,786,260	1,555,256
Less: Share-based compensation expenses	219,408	178,717
Less: Depreciation	42,835	35,972
Less: Amortization of intangibles	–	375
Adjusted operating expenses	1,524,017	1,340,192
Reconciliation of GAAP to adjusted income (loss) from operations:		
GAAP loss from operations	(368,509)	(689,973)
Plus: Share-based compensation expenses	219,408	178,717
Plus: Depreciation	47,864	40,332
Plus: Amortization of intangibles	2,360	2,014
Adjusted income (loss) from operations	(98,877)	(468,910)

Discussion of Certain Key Balance Sheet Items

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

As of June 30, 2024, the Company's cash, cash equivalents, restricted cash and short-term investments primarily comprised of (1) approximately US$1.1 billion denominated in US dollars; (2) approximately RMB10.0 billion (equivalent to approximately US$1.4 billion) denominated in Renminbi; and (3) approximately US$126.6 million denominated in Australian dollar, Euro and other currencies**.**

Accounts receivable

Accounts receivable increased by 47.9% from US$358.0 million as of December 31, 2023 to US$529.4 million as of June 30, 2024, primarily due to the increased sales of our internally-developed products and in-licensed products.

Inventories

The inventories increased by 6.5% from US$416.1 million as of December 31, 2023 to US$443.3 million as of June 30, 2024, primarily due to stock preparation for the increased sales of our internally-developed products and in-licensed products.

Property and equipment, net

The property and equipment increased by 14.5% from US$1,324.2 million as of December 31, 2023 to US$1,516.5 million as of June 30, 2024, primarily attributable to our on-going buildout of the Company's manufacturing and clinical R&D campus in Hopewell and on-going construction of research and development center.

Accounts payable

Accounts payable includes amounts due to third parties and totaled US$333.0 million and US$315.1 million as of June 30, 2024 and December 31, 2023, 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, 2024 US$'000	**December 31, 2023 US$'000**
Within 3 months	324,947	302,310
3 to 6 months	2,967	8,205
6 months to 1 year	4,843	4,551
Over 1 year	265	45
Total	333,022	315,111

Accrued expenses and other payables

Accrued expenses and other payables consist of the following as of June 30, 2024 and December 31, 2023:

	As of	
	June 30, 2024 US$'000	**December 31, 2023 US$'000**
Compensation related	167,960	217,803
External research and development activities related	133,412	162,969
Commercial activities	70,641	87,572
Individual income tax and other taxes	48,466	30,083
Sales rebates and returns related	173,263	139,936
Other	52,796	55,368
Total	646,538	693,731

Accrued expenses and other payables decreased by 6.8% from US$693.7 million as of December 31, 2023 to US$646.5 million as of June 30, 2024. The decrease was primarily due to the payment of compensation and accrued external research and development activities for the six months ended June 30, 2024, partly offset by the increase of sales rebates and returns.

Debt

The company's total debt increased by 17.0% from US$886.0 million as of December 31, 2023 to US$1,036.9 million as of December 31, 2024, primarily due to the increase of the short-term debt for the six months ended June 30, 2024.

Liquidity and Capital Resources

The following table represents our cash and debt balances as of June 30, 2024 and December 31, 2023:

	As of	
	June 30, 2024	December 31, 2023
	(US dollars in thousands)	
Cash, cash equivalents and restricted cash	2,617,931	3,185,984
Total debt	1,036,928	885,984

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, and the third quarter of 2023 where we recorded a large noncash gain from the BMS settlement and accelerated deferred revenue recognition from the Novartis terminations, we have incurred GAAP 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 a net loss of US$371.6 million for the six months ended June 30, 2024, and net losses of US$729.6 million for six months ended June 30, 2023. As of June 30, 2024, we had an accumulated deficit of US$8.3 billion.

To date, we have financed our operations principally through proceeds from public and private offerings of our common stock (including ADSs), proceeds from debt, and our collaborations, together with product sales since September 2017. Based on our current operating plan, we expect that our existing cash and cash equivalents as of June 30, 2024 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 announcement are issued. We have also financed our operations and investments with proceeds from debt incurred primarily from various banks both through our subsidiaries and BeiGene, Ltd. of US$1.0 billion at June 30, 2024. The majority of those debt obligations, or approximately US$851.7 million, owed by BeiGene, Ltd., have due dates within the next 12 months. We believe we will have sufficient cash and cash equivalents and other sources of capital to be able to repay and/or refinance those debt obligations.

On December 15, 2021, we completed our initial public offering on the STAR Market of the Shanghai Stock Exchange (the "STAR Offering"). The shares offered in the STAR Offering were issued to and subscribed for by permitted investors in the People's Republic of China ("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, we sold 115,055,260 ordinary shares. Net proceeds after deducting underwriting commissions and offering expenses were US$3.4 billion (RMB21.7 billion). As required by the PRC securities laws, the net proceeds from the STAR Offering must be used in compliance with the planned uses as disclosed in the STAR Prospectus as well as our proceeds management policy for the STAR Offering approved by our board of directors. As of June 30, 2024, the Company had cash remaining related to the STAR Offering proceeds of US$0.9 billion.

The following table provides information regarding our cash flows for the six months ended June 30, 2024 and 2023:

	Six Months Ended June 30,	
	2024	2023
	(US dollars in thousands)	
Cash, cash equivalents and restricted cash at beginning of period	3,185,984	3,875,037
Net cash used in operating activities	(404,160)	(857,665)
Net cash (used in) provided by investing activities	(320,863)	308,863
Net cash provided by financing activities	185,310	146,212
Net effect of foreign exchange rate changes	(28,340)	(50,873)
Net decrease in cash, cash equivalents, and restricted cash	(568,053)	(453,463)
Cash, cash equivalents and restricted cash at end of period	2,617,931	3,421,574

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$404.2 million of cash in the six months ended June 30, 2024, principally from our net loss of US$371.6 million and an increase in our net operating assets and liabilities of US$268.8 million, partially offset by non-cash charges of US$236.2 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 driven by share-based compensation expense, depreciation and amortization expense, offset by amortization of the research and development cost share liability.

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.

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 used US$320.9 million of cash in the six months ended June 30, 2024, consisting of capital expenditures of US$266.5 million, purchase of IPR&D assets of US$31.8 million, purchase of intangible assets of US$4.7 million, US$20.5 million in purchases of long-term investments and other investing activities, partially offset by sales and maturities of investment securities of US$2.7 million.

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.

Financing Activities

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

Financing activities provided US$185.3 million of cash in the six months ended June 30, 2024, consisting primarily of US$9.1 million of net proceeds from long-term loans, US$324.4 million of proceeds from short-term loans and US$20.4 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$14.0 million in repayments of long-term loans and US$157.5 million in repayments of short-term bank loans. Our borrowing and repayment cycle is dictated by the short-term maturities of our debt and the ability to increase our borrowings is dependent on interest rates, credit spreads, bank lending capacity and other factors. We expect to repay approximately US$851.7 million of loans in the next 12 months and expect to be able to re-finance those on a consistent basis with our historical experience, with the cost of those borrowings depending on prevailing interest rates and credit spreads.

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 repayment of short-term bank loans.

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$28.3 million in the six months ended June 30, 2024, compared to a negative impact of US$50.9 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 U.S. Securities and Exchange Commissions ("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 2023, 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 our investors' 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.

Furthermore, our ability to raise additional capital may be adversely impacted by worsening global economic conditions, with disruptions to, and volatility in, the credit and financial markets in the U.S. and worldwide, resulting from the effects of inflationary pressures, recent and potential future bank failures and otherwise. If these conditions persist and deepen, we could experience an inability to access additional capital or our liquidity could otherwise be impacted, which could in the future negatively affect our capacity for certain corporate development transactions or our ability to make other important, opportunistic investments. 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 and product sales.

Contractual and Other Obligations

The following table summarizes our significant contractual obligations as of the payment due date by period as of June 30, 2024:

	Payments Due by Period		
	Total	Short Term	Long Term
	(US dollars in thousands)		
Contractual obligations			
Operating lease commitments	58,835	11,082	47,753
Purchase commitments	120,366	91,544	28,822
Debt obligations	1,036,928	851,657	185,271
Interest on debt	60,841	40,772	20,069
Co-development funding commitment	412,647	80,312	332,335
Funding commitment	8,154	2,025	6,129
Capital commitments	62,576	62,576	–
Total	1,760,347	1,139,968	620,379

Operating Lease Commitments

We lease office facilities in the U.S. and Switzerland, and office and manufacturing facilities in China 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, 2024, non-cancellable purchase commitments amounted to US$120.4 million, of which US$28.8 million related to minimum purchase requirements for supply purchased from contract manufacturers and US$91.5 million related to binding purchase obligations of inventory from Amgen. We do not have any minimum purchase requirements for inventory from Amgen.

Debt Obligations and Interest

Total debt obligations coming due in the next twelve months is US$851.7 million. Total long-term debt obligations are US$185.3 million. See Note 12 in the Notes to the Financial Statements for further detail of our debt obligations.

We have numerous financial and non-financial covenants on our debt obligations with various banks and other lenders. Some of these covenants include cross-default provisions that could require acceleration of repayment of loans in the event of default. However, our debt is primarily short-term in nature. Any acceleration would be a matter of months but may impact our ability to refinance debt obligations if an event of default occurs. As of June 30, 2024, we were in compliance with all covenants of our material debt agreements.

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, 2024, our remaining co-development funding commitment was US$412.6 million.

Funding Commitment

Funding commitment represents our committed capital related to two equity method investments. As of June 30, 2024, our remaining capital commitment was US$8.2 million and is expected to be paid from time to time over the investment period.

Capital Commitments

We had capital commitments amounting to US$62.6 million for the acquisition of property, plant and equipment as of June 30, 2024, related to various facilities across the globe, including the manufacturing and clinical R&D campus in Hopewell, New Jersey.

Critical Accounting Policies and Significant Judgments and Estimates

Our discussion and analysis of our financial condition and results of operations is based on our financial statements, which have been prepared in accordance with U.S. GAAP. The preparation of these financial statements requires us to make estimates, assumptions and judgments that affect the reported amounts of assets, liabilities, revenues, costs and expenses. We evaluate our estimates and judgments on an ongoing basis, and our actual results may differ from these estimates. These include, but are not limited to, estimating the useful lives of long-lived assets, estimating variable consideration in product sales and collaboration revenue arrangements, estimating the incremental borrowing rate for operating lease liabilities, identifying separate accounting units and 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 and the fair value of financial instruments. We base our estimates on historical experience, known trends and events, contractual milestones and other various factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Our actual results may differ from these estimates under different assumptions or conditions.

There have been no material changes to our critical accounting policies as of and for the six months ended June 30, 2024, as compared to those described in the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in our Annual Report for the year ended December 31, 2023.

For new accounting policies adopted during the six months ended June 30, 2024, see "Financial Statements – Notes to the Condensed Consolidated Financial Statements – 1. Description of Business, Basis of Presentation and Consolidation and Significant Accounting Policies – Significant accounting policies" in this announcement.

Interest Risk

We are exposed to risk related to changes in interest rates on our outstanding borrowings. We had US$735.6 million of outstanding floating rate debt as of June 30, 2024. A 100-basis point increase in interest rates as of June 30, 2024 would increase our annual pre-tax interest expense by approximately US$7.4 million.

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 2.2% in the six months ended June 30, 2024 and depreciated approximately 2.8% in the year ended December 31, 2023, 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.

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, 2024.

Gearing Ratio

The gearing ratio of the Company, which was calculated by dividing total interest-bearing loans by total equity as of the end of the period, was 30.8% as of June 30, 2024, representing an increase from 25.0% as of December 31, 2023, primarily due to the increase of short-term debt and accumulated deficit.

Significant Investments Held

The Company has made a significant investment in its newly opened manufacturing and R&D center in Hopewell, New Jersey. As of June 30, 2024, the Company had land and construction in progress of US$677.1 million related to the Hopewell facility, the majority of which will be put into service in the second half of 2024.

Except as disclosed above, we did not hold any other significant investments as of June 30, 2024.

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, 2024.

Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures

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

Employee and Remuneration Policy

As of the date of this announcement, we had a global team of over 10,000 employees, which increased from nearly 10,000 employees as of December 31, 2023. Most of our employees are full-time.

The remuneration policy and package of the Company's 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 of similar size. The total remuneration cost incurred by the Company for the six months ended June 30, 2024 was US$891.8 million (For the six months ended June 30, 2023: US$753.0 million).

Pledge of Assets

As of June 30, 2024, we pledged restricted deposits of US$25.3 million primarily consisting of cash deposits held in designated bank accounts for collateral for letters of credit and letter of guarantee (December 31, 2023: US$14.2 million), and land use right and certain property, plant and equipments and other long-term assets with a total carrying amount of US$171.4 million (December 31, 2023: US$200.4 million) were mainly secured for long-term bank loans.

Contingent Liabilities

As of June 30, 2024, we did not have any material contingent liabilities (as of December 31, 2023: nil).

Interim Dividend

The Board does not recommend any interim dividend for the six months ended June 30, 2024 (For the six months ended June 30, 2023: nil).

Recent Accounting Pronouncements

See Note 2 to our consolidated financial statements included in this announcement for information regarding recent accounting pronouncements.

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 C1 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 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 announcement, the Audit Committee comprises three independent non-executive directors, namely Mr. Anthony C. Hooper, Dr. Olivier Brandicourt and Dr. Corazon (Corsee) D. Sanders. Mr. Anthony C. Hooper, being the chair of the Audit Committee, is appropriately qualified as required under Rules 3.10(2) and 3.21 of the HK Listing Rules. On January 22, 2024, Mr. Thomas Malley resigned from the Board. In connection with his resignation from the Board, Mr. Thomas Malley also resigned from the Audit Committee. Effective as of January 23, 2024, the Board appointed Dr. Olivier Brandicourt as an independent non-executive director to fill the vacancy arising from the resignation of Mr. Malley. In connection with his appointment to the Board, effective as of January 23, 2024, Dr. Olivier Brandicourt has been appointed to serve as a member of the Audit Committee.

Our compensation committee (the "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, and 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 announcement, 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 announcement, the Nominating and Corporate Governance Committee comprises four independent non-executive directors, namely Mr. Donald W. Glazer, Mr. Michael Goller, Mr. Anthony C. Hooper and Dr. Alessandro Riva. Mr. Donald W. Glazer is the chair 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.

Compliance with Policies Equivalent to the Model Code for Securities Transactions by Directors of Listed Issuers

Except as disclosed below, the Company has adopted its own insider dealing policies on terms no less exacting than those in the Model Code for Securities Transactions as set out in Appendix C3 to the HK Listing Rules (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 Reporting Period.

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 securities listed on the HKEX (including any sale of treasury shares (as defined under the HK Listing Rules)).

Disclosure of Changes in Directors' Information Pursuant to Rule 13.51(B)(1) of the HK Listing Rules

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. The change of the Directors' information is set out below:

Directors	**Changes in Positions held with the Company**
Mr. Thomas Malley	Resigned as an independent non-executive director and a member of the Audit Committee and the Scientific Advisory Committee effective January 22, 2024.
Dr. Olivier Brandicourt	Appointed as an independent non-executive director and a member of the Audit Committee effective January 23, 2024; appointed as a member of the Commercial and Medical Affairs Advisory Committee effective March 19, 2024.

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 share purchase agreement entered into by the Company and Amgen on October 31, 2019 in connection with the Amgen Collaboration Agreement, as amended ("Amgen SPA"). 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, 2024:

Use of proceeds	Planned applications (US dollars in thousands)	Percentage of total net proceeds (%)	Actual usage up to December 31, 2023 (US dollars in thousands)	Actual usage up to June 30, 2024 (US dollars in thousands)	Unutilized net proceeds as of June 30, 2024 (US dollars in thousands)
To fund business operations[(a)]	2,779,241	100%	2,229,632	2,294,982	484,259

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.

Use of Net Proceeds from STAR Offering

On December 15, 2021, the Company completed the STAR Offering on the STAR Market of the Shanghai Stock Exchange. 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 the 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. On November 10, 2023, the Board approved to adjust the amount of proceeds to be invested in each subcategory projects under the "clinical development and research project". 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, August 29, 2023, November 13, 2023 and the circular dated April 30, 2021 of the Company.

As of June 30, 2024, net proceeds amounting to RMB16.0 billion had been utilized, and the remaining RMB5.7 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, 2024:

Use of proceeds	Planned applications RMB'000	Actual usage up to December 31, 2023 RMB'000	Actual usage up to June 30, 2024 RMB'000	Unutilized net proceeds as of June 30, 2024 RMB'000
Clinical Development and Research Projects	13,245,940	7,169,470	8,651,167	4,594,773
R&D Center Construction	467,700	434,188	462,414	5,286
Bio-Manufacture Plant Construction	150,000	153,451	153,451	(3,451)*
Sales & Marketing Force Expansion	136,360	110,240	137,268	(908)*
Replenishment of Working Capital	6,000,000	4,832,281	5,578,830	421,170
Excess of Proceeds	1,630,155	978,000	978,000	652,155
Total	21,630,155	13,677,630	15,961,130	5,669,025

* The excess over the planned applications for Bio-Manufacture Plant Construction and Sales & Marketing Force Expansion was provided by interest income from the STAR Offering proceeds.

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 announcement, the Audit Committee consists of three independent non-executive directors, namely Mr. Anthony C. Hooper, Dr. Olivier Brandicourt and Dr. Corazon (Corsee) D. Sanders. Mr. Anthony C. Hooper is the chair of the Audit Committee. On January 22, 2024, Mr. Thomas Malley resigned from the Board. In connection with his resignation from the Board, Mr. Malley also resigned from the Audit Committee. Effective as of January 23, 2024, the Board appointed Dr. Olivier Brandicourt as an independent non-executive director to fill the vacancy arising from the resignation of Mr. Malley. In connection with his appointment to the Board, effective as of January 23, 2024, Dr. Olivier Brandicourt has been appointed to serve as a member of the Audit Committee.

The Audit Committee has reviewed the unaudited consolidated financial statements and interim results of the Company for the six months ended June 30, 2024. 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, Ernst & Young.

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 Period

Save as disclosed above, no important events affecting the Company occurred since June 30, 2024 and up to the date of this announcement.

Publication of Interim Results and Interim Report

This interim results announcement is published on the website of the HKEX (www.hkexnews.hk) and the website of the Company (www.beigene.com). The interim report of the Company for the six months ended June 30, 2024 will be published on the aforesaid websites in due course.

By order of the Board
BeiGene, Ltd.
Mr. John V. Oyler
Chairman

Hong Kong, August 27, 2024

As of the date of this announcement, the Board of Directors of the Company comprises Mr. John V. Oyler as Chairman and Executive Director, Dr. Xiaodong Wang as Non-executive Director, and Dr. Olivier Brandicourt, Dr. Margaret Han Dugan, Mr. Donald W. Glazer, Mr. Michael Goller, Mr. Anthony C. Hooper, Mr. Ranjeev Krishana, Dr. Alessandro Riva, Dr. Corazon (Corsee) D. Sanders and Mr. Qingqing Yi as Independent Non-executive Directors.