To improve patients' lives by timely providing them with quality and affordable protein therapeutics through technical innovation and operational excellence.

Be the most trusted and admired biotech company providing innovative and affordable medicines for all patients.

CORPORATE PROFILE

"

INNOVATION
QUALITY

"

Our Group is the first biopharmaceutical company to receive NDA approval for a monoclonal antibody biosimilar in accordance with the Biosimilar Guidelines and the first to commercially launch a biosimilar product in China.

Our Group is a leading biopharmaceutical company in China with the vision to offer high-quality, affordable and innovative drugs for patients worldwide. The H Shares of our Group have been listed on the Main Board of the Stock Exchange since 25 September 2019.

Since our inception in 2010, we have established, and continue to expand, a comprehensive product pipeline of both biosimilars and bio-innovative drugs. As of the Latest Practicable Date, in addition to the biosimilar product we had commercially launched, namely HLX01 (漢利康®), we had developed in-house over 20 biologic drug candidates and several immuno-oncology combination therapies in our pipeline, including (i) two mAb candidates with NDA accepted by the NMPA, including one mAb candidate with MAA accepted by the EMA; (ii) two mAb candidates undergoing Phase 3 clinical trials and six mAb candidates undergoing Phase 1/2 clinical trials, and three immuno-oncology combination therapies undergoing Phase 3 clinical trials; and (iii) 31 IND approvals received across different jurisdictions.

Our co-founders, Dr. Scott Shi-Kau Liu and Dr. Wei-Dong Jiang, each possesses over 25 years of hands-on experience in developing therapeutic drugs and held leadership positions in R&D, drug manufacturing and quality management at top international biopharmaceutical companies. Inspired by our co-founders, we have assembled a high-calibre team of experts working closely with each other towards the Group's vision.

MILESTONES

JANUARY

(adalimumab injection) NDA accepted in the PRC (currently under priority review)

(bevacizumab injection) IND applications for two eye disease related indications approved

FEBRUARY

NDA of 漢利康® (rituximab injection) formally approved

MARCH

IND application for the second combo therapy accepted by NMPA

APRIL

(trastuzumab injection) NDA accepted in the PRC (currently under priority review)

MAY

HLX01 (漢利康®) became the first biosimilar drug commercially launched in the PRC

JUNE

(trastuzumab injection) MAA application accepted in EU

commenced construction

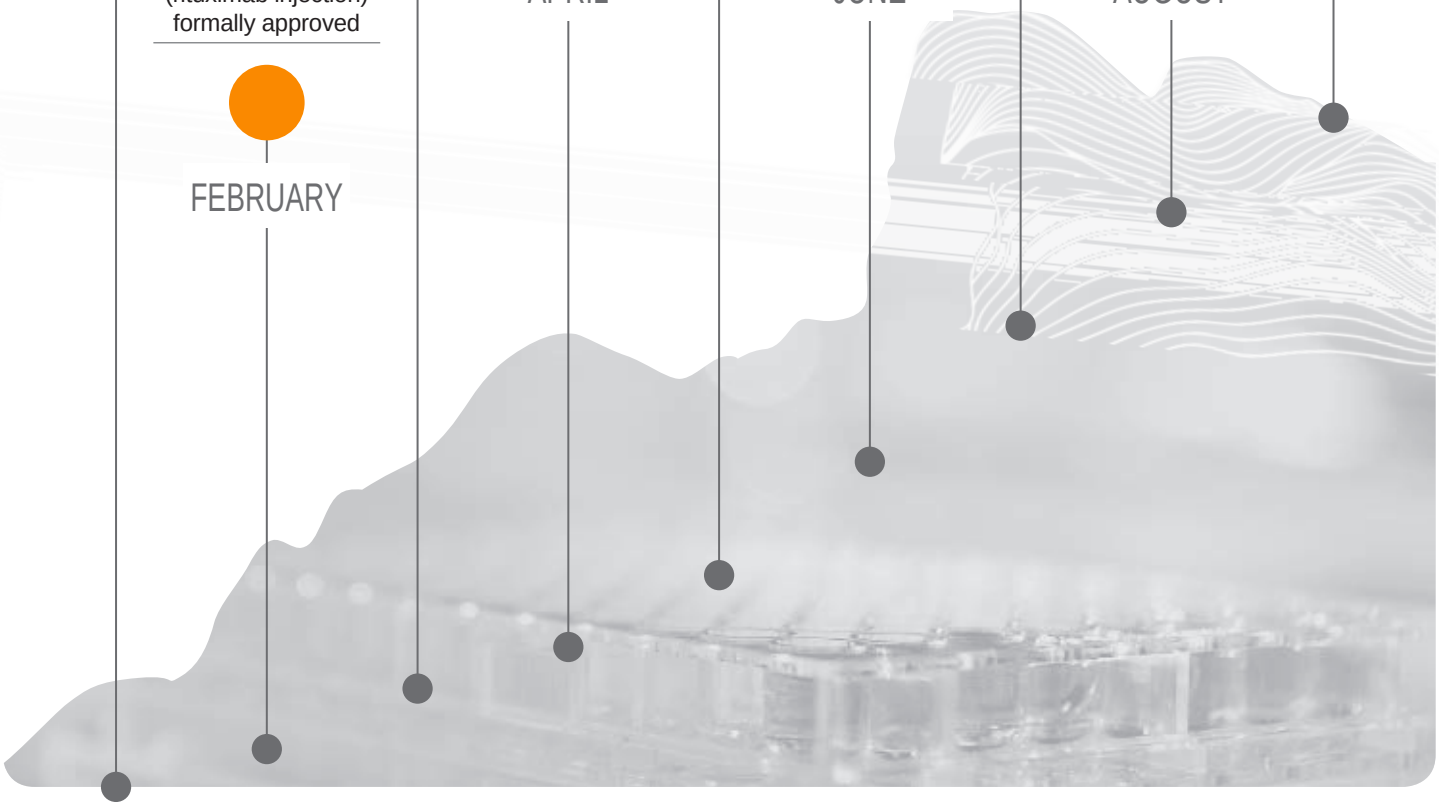
JULY

(adalimumab injection) completed Phase 3 clinical trial

AUGUST

(monoclonal antibody against PD-1) in combination with chemotherapy for the treatment of non-small cell lung cancer completed first patient dosing of Phase 3 clinical study

SEPTEMBER



OUR PIPELINE

The following table summarises our product and drug candidate pipeline as of the Latest Practicable Date:

Notes:

(1) HLX01 (漢利康®) is one of the Group's core products. The Group received the NDA approval for HLX01 (漢利康®) in February 2019 and commenced commercial sales in May 2019.

(2) Phase 2 clinical trials are not required for biosimilars.

(3) Our Phase 3 clinical trial for HLX01 focused on the treatment of CD20-positive diffuse large B cell lymphoma, which is the most common subtype of NHL. HLX01's reference drug, MabThera, is approved in China for three NHL subtypes (namely DLBCL, relapsed or refractory follicular central lymphoma and previously-untreated CD20-positive stage III-IV follicular lymphoma). HLX01 is also approved for all these three indications.

(4) Argentina, Paraguay, Uruguay and Bolivia.

(5) Our Phase 3 clinical trial for HLX02 focuses on the treatment of HER2+ metastatic breast cancer. As HLX02's reference drug, Herceptin, is approved in China for HER2+ early breast cancer, HER2+ metastatic breast cancer and HER2+ metastatic gastric cancer, the Group's NDA in China seeks approval for all three indications for HLX02. The Group's commercialisation partner Accord filed an MAA with the EMA for these three indications and gastroesophageal junction cancer. Subject enrolment of the Phase 3 clinical trial for HLX02 has been completed.

(6) Over 70 jurisdictions and regions in Europe, Middle East-North Africa and the Commonwealth of Independent States.

(7) Australia, New Zealand, Colombia and Malaysia.

(8) Our Phase 3 clinical trial for HLX03 focuses on the treatment of plaque psoriasis. As HLX03's reference drug, Humira, is approved in China for plaque psoriasis, rheumatoid arthritis and ankylosing spondylitis, the Group's has filed for NDA approval for all three indications for HLX03. Subject enrolment of the Phase 3 clinical trial for HLX03 has been completed.

(9) Our Phase 3 clinical trial for HLX04 focuses on the treatment of metastatic colorectal cancer. As HLX04's reference drug, Avastin, is approved in China for metastatic colorectal cancer and unresectable, locally advanced, recurrent or metastatic non-squamous non-small cell lung cancer, the Group plans to seek NDA approval for both indications for HLX04.

(10) Licensed out to Shanghai Jingze Biotechnology Co., Ltd.

(11) Includes advanced gastric cancer or gastroesophageal junction adenocarcinoma, metastatic non-small cell lung cancer and metastatic colorectal cancer.

(12) Considered a bio-innovative product because the reference product has not been approved for the relevant indication yet in China.

(13) Greater China and certain countries in Southeast, Central and South Asia.

(14) Including Philippines, Indonesia, Malaysia, Singapore, Thailand, Laos, Myanmar, Cambodia, Brunei and Vietnam.

MANAGEMENT DISCUSSION AND ANALYSIS

Adhering to our mission of "becoming one of the world's most trusted and admired biopharmaceutical companies, offering innovative and affordable medicines for patients worldwide", and leveraging our efficient and integrated global research and development platform, outstanding global regulatory registration and clinical development capability as well as comprehensive quality management system, the Group has made significant progress on product R&D and commercialisation during the Reporting Period.

During the Reporting Period, the NDA of HLX01漢利康® (Rituximab Injection), being the Group's first mAb biosimilar through in-house R&D, was approved by the NMPA in February 2019, and the first prescription was issued in May 2019, becoming the first mAb drug to receive approval for commercialisation under the Biosimilar Guidelines, and the first biosimilar drug for commercialisation in China. Indications for 漢利康® include all indications for the reference drug Rituximab, including (i) relapsed or drug tolerance follicular central lymphoma; (ii) previously untreated CD20-positive stage III-IV follicular non-Hodgkin lymphoma; and (iii) CD20-positive DLBCL, being all indications of original rituximab in China. Since the beginning of commercialisation from late May of 2019, based on the cooperation agreement entered into between the Group and Fosun Pharma, the controlling shareholder, the Group has realised revenue of RMB13.3 million for 漢利康®.

During the Reporting Period, the Group has also achieved substantial progress in R&D for its core biosimilar candidates. In January 2019 and April 2019, the NDA of the Group's self-developed HLX03 (Humira (adalimumab) biosimilar) and HLX02 (Herceptin (trastuzumab) biosimilar) were accepted by NMPA, respectively, and are currently under priority review. In addition, in June 2019, the Group and its business partner Accord filed the MAA for HLX02 and such application was accepted by European Medicines Agency (EMA).

During the Reporting Period, the Group's other biosimilar candidates under development were progressing smoothly. The Group began to develop HLX04 as the biosimilar of Avastin 安維汀 (recombinant humanised anti-VEGF monoclonal antibody injection) since January 2012. As of the Latest Practicable Date, the Group plans to file NDA for HLX04 for metastatic non-squamous, non-small cell lung cancer (nsNSCLC) indications (being the same indications as those approved for the reference product Avastin 安維汀 in China) with NMPA. At the same time, the Phase 1 clinical study of HLX12 (recombinant humanised anti-VEGER2 domains II-III monoclonal antibody injection), a drug which was self-developed by the Group, has completed its first patients dosing in China. HLX12 is used for (i) advanced gastric cancer or gastroesophageal junction adenocarcinoma; (ii) NSCLC; and (iii) mCRC indications.

During the Reporting Period, the Group leveraged its R&D experience in biosimilar drugs, further expanded the bio-innovative pipeline, continued to promote clinical trials for innovative products around the world, in which encouraging progress has been achieved. In January 2019, the Group's core bio-innovative products HLX01 (Recombinant Human/Murine Chimeric Anti-CD20 Monoclonal Antibody Injection, i.e. Rituximab Injection) completed its Phase 1/2 clinical trial for treating rheumatoid arthritis (RA) indication. As of the Latest Practicable Date, the Group has been conducting Phase 3 clinical trial for HLX01 RA indication, where such trial is designed as a multi-centre, randomised, double-blind and placebo-controlled trial and is expected to complete in 2020.

During the Reporting Period, the Group's other bio-innovative products under development were progressing smoothly. In January 2019, the Group obtained the clinical trial approval from NMPA regarding HLX04 (recombinant humanised anti-VEGF monoclonal antibody injection) for the use of (i) wet age-related macular degeneration (wAMD); and (ii) diabetic retinopathy (DR) indications. At the same time, in February 2019, the Group obtained the approval issued by NMPA in relation to the HLX22 mAb injection for clinical trials of gastric cancer and breast cancer. HLX22 mAb injection product is the Group's innovative therapeutic biologics transferred from AbClon, Inc and it is subsequently self-developed by the Group. It is a humanised IgG1 monoclonal antibody injection developed for HER2 target. As of the Latest Practicable Date, the Group has obtained the rights to develop and commercialise HLX22 mAb injection globally.

Meanwhile, as major patents of key drugs are expiring successively, and the development of corresponding biosimilars involves lower risk and stronger certainty in market potential than innovative drugs, the Group plans to further expand its pipelines for biosimilar products based on the existing product lines with a view to bringing in long-term growth opportunities.

In the second half of 2019, the Group will actively establish and expand its sales teams and establish a systematic and standardised business operation system to prepare for the commercialisation of more potential products to be launched in the market.

In the second half of 2019, the Group will actively engage in and proceed with the research and development of innovative drugs based on the existing extensive pipelines and the advanced R&D platform for monoclonal antibodies, and commence clinical trials for combination therapies using drug candidates (including PD-1/PD-L1mAbs) as the skeleton to develop various types of immune-oncology combination therapies. The Group's R&D centres cover three high-tech industrial clusters which are located in Shanghai, Taipei and California. In the second half of 2019, the Group will continue to strengthen the innovation capability of the three R&D centres by focusing on the R&D centre in California and in-house R&D centre in Taipei, China. Based on an integrated antibody discovery platform and innovative technology, the R&D centre in California will put more effort in the establishment of a differentiated R&D pipeline, and fully utilise the international resources available to expand current product pipeline and benefit patients worldwide. At the same time, the in-house R&D centre in Taipei, China has established over 50 animal efficacy models, including SC xenograft, humanised mouse models and syngeneic models, covering 16 types of different human malignant tumor. In the second half of 2019, the in-house R&D centre in Taipei, China will enhance the efficiency of innovative R&D, continue to build efficacy models in order to meet the growing demand for innovative drug efficacy studies and constantly provide innovative drug R&D project to the Group.

In the second half of 2019, the Group will continue to collaborate with Accord, our cooperative partner, in actively proceeding with the filing of MAA for HLX02 (trastuzumab injection) in European Union. The Group has also reached a cooperation consensus with KG Bio in September 2019. The Group agreed to grant KG Bio the exclusive development and commercialisation rights of several HLX10 indications and combination therapies in 10 Southeast Asian countries in accordance with the agreement.

Meanwhile, the Group plans to seek potential strategic cooperation with more international partners through implementing business development strategy for entering the international market through these international strategic partners, in particular for the entry to emerging markets with significant unfulfilled medical needs for affordable pharmaceutical products, to benefit patients overseas.

The Group's existing Xuhui Facility has a total capacity of 14,000L. The Group will maximise and optimise the production capacity of Xuhui Facility and will continue to stringently comply with high quality standards as required by NMPA, FDA and EMA.

Meanwhile, the Group will actively proceed with the construction of the second manufacturing facility, the Songjiang Facility, to enhance the overall production capacity of the Group. The Songjiang Facility has a planned land area of approximately 200 mu, Phase 1 of the construction project has received construction permit for commencing construction in June 2019. Currently, Phase 1 of the project is under construction, it is expected to complete and commence pilot operation in 2021, the production capacity of original solution will surpass Xuhui Facility upon completion of the project. After completion of construction, the Songjiang Facility will become the Group's base for R&D, pilot production and production of mAb biopharmaceutical drugs. This will further enhance the Group's R&D capability in core business area, and satisfy the commercialised production demand for biosimilar and bio-innovative drugs of the Group.

The revenue of the Group for the six months ended 30 June 2019 was approximately RMB17.0 million, representing an increase of approximately RMB17.0 million as compared with that for the six months ended 30 June 2018, which was mainly due to the growth in sales of the Group's core products, of which we have delivered 20,638 vials of HLX01 to our commercialisation partner Fosun Pharma. According to the cooperation arrangement with Fosun Pharma, Fosun Pharma fully reimbursed the related expenditures incurred for clinical trials of HLX01 (漢利康®) conducted by the Group after the signing of relevant cooperation agreement. After the commercialisation of HLX01 (漢利康®), the Group was responsible for the production and the supply of HLX01 (漢利康®) to Fosun Pharma in China, and equally (50-50) shared all of the net profit from the sales of HLX01 (漢利康) in China with Fosun Pharma Industrial Development, while the marketing and selling expenses incurred during the commercialisation were undertaken by Fosun Pharma. 漢利康® has recorded a revenue of RMB13.3 million in accordance to the above profit sharing arrangement with its partners. We intend to further raise public awareness of HLX01 by ramping up our marketing and sales efforts. We also plan to market our drug products through our commercialisation partners under well-established strategies.

In addition, the Group recorded revenue through providing consultation and research services. During the Reporting Period, the Group's revenue from consultation and research services amounted to approximately RMB3.7 million.

Other income of the Group mainly included bank interest income and government subsidy income. Government subsidies included (1) government support for capital expenditure in relation to the purchase of machinery and equipment (recognised over the useful life of the relevant assets); and (2) incentives for R&D activities and interest support as well as other supports (recognised after satisfying certain conditions promulgated by the government).

During the Reporting Period, the Group recognised other income of approximately RMB11.3 million.

	2018 RMB'000
Share-based compensation	17,939
R&D employee salaries	37,311
Outsourcing fees	17,608
Reagents and consumables	24,174
Utilities	6,213
Depreciation and amortisation	16,553
Consulting expense	9,704
Clinical trials	8,742
Others	11,065
	149,309
Clinical trials	157,588
R&D employee salaries	31,479
Reagents and consumables	13,669
Depreciation and amortisation	13,360
Utilities	3,630
Outsourcing fees	4,912
Share-based compensation	7,279
Others	13,730
	245,647

During the six months ended 30 June 2019, the Group recognised R&D expenditure of approximately RMB528.6 million, representing an increase of approximately 133.7 million or approximately 33.9% as compared with approximately RMB394.9 million for the six months ended 30 June 2018. The significant increase in our research and development expenditure was mainly due to (1) the increases in clinical trial expenses and costs of pre-clinical studies in line with our expanded pipeline and increased level of R&D activities; (2) the increases in the number of researchers and their salaries; and (3) the progress of clinical trials continued to develop as anticipated.

Administrative expenses mainly included administrative staff costs, office administrative expenses, depreciation and amortisation, etc.

During the six months ended 30 June 2019, the Group recognised administrative expenses of approximately RMB66.1 million, as compared to that of approximately RMB38.0 million for the six months ended 30 June 2018. The increase in administrative expenses of the Group was mainly due to (1) the increase in number of administrative employees in line with the expansion of the Company's operations and development; (2) the increase in office administrative expenses in conjunction with business development; and (3) the increase in other consultation fees.

The Group's selling and distribution expenses mainly included salaries and other expenses as well as promotional activity expenses.

During the six months ended 30 June 2019, the Group recognised selling and distribution expenses of approximately RMB12.9 million, which was mainly used for the establishment of sales team ahead of the formal launching and commercialisation of HLX02 in the next year.

As of 30 June 2019, the cash and cash equivalents of the Group were RMB352.2 million, mainly denominated in RMB, USD, New Taiwan Dollars and Euro, where such increase was mainly due to bank borrowings. As of 30 June 2019, the current assets of the Group were RMB606.4 million, including bank balances and cash of RMB358.8 million and other current assets of RMB247.6 million. As of 30 June 2019, the current liabilities of the Group were RMB733.9 million, including trade payables of RMB129.7 million, other payables of RMB287.1 million and borrowings of RMB307.8 million.

Inventories of the Group increased from approximately RMB25.2 million as at 30 June 2018 to approximately RMB67.4 million as at 30 June 2019, mainly due to the increased purchases of raw materials and consumables in order to facilitate the clinical trial and commercial production preparation.

As of 30 June 2019, bank borrowings of the Group were RMB608.2 million. The Group incurred new borrowings for the following reasons: ongoing clinical research trials and pre-clinical research for drug candidates; commercialisation of 漢利康® and normal operating expenses. All of the Group's borrowings were denominated in RMB.

Such borrowings bear interest at fixed annual interest rates. There was no material influence of seasonality on the Group's borrowing needs.

The following table sets forth the maturity structure of outstanding debts as at 30 June 2019 and 31 December 2018. Of which, lease liabilities were initially recognised upon the adoption of IFRS 16 – Lease on 1 January 2017.

	31 December 2018 RMB'000
Within one year	142,678
In the second year	121,434
In the third to fifth year (inclusive)	204,847
Over five years	59,059
	528,018

As at 30 June 2019, the Group's pledged assets in relation to borrowings including trade receivables of RMB7,891,000 and fixed assets (machine equipment and electronic equipment) of RMB124,277,000. Details of pledged assets are included in note 14 to the condensed interim consolidated financial statements.

	31 December 2018
Current ratio[(1)]:	203.8%
Quick ratio[(2)]:	199.0%
Gearing ratio[(3)]:	N/A[(4)]

Notes:

(1) Current ratio is calculated as current assets divided by current liabilities on the same day.

(2) Quick ratio is calculated as current assets minus inventories and then divided by current liabilities on the same day.

(3) Gearing ratio is calculated as net debt divided by equity attributable to owners of the parent plus net debt, multiplied by 100%. Net debt represents the balance of indebtedness less cash and cash equivalents as at the end of the period.

(4) The Group did not have a gearing ratio as at 31 December 2018 as the Group's balance of cash and cash equivalents exceeded the Group's total indebtedness on that date.

In order to satisfy the expected market demand of drugs in our pipeline, the Group is currently constructing a second manufacturing facility in Shanghai, the Songjiang Facility, to significantly increase our overall production capacity. We designed the Songjiang Facility to incorporate substantially similar manufacturing equipment, technologies and processes as those used and to be implemented at our Xuhui Facility. The Group expects the Songjiang Facility to support our future global commercial needs when fully operational.

The Company is expected to invest not more than RMB1 billion for the construction of the Phase I project of Songjiang Facility (first stage). As at the end of the Reporting Period, the facility is under construction and the subsequent stages of construction will be gradually carried out based on the strategy of the Group. The capital expenditure of the construction of Songjiang Facility will be mainly funded through debt financing.

For details of the Songjiang Facility, please refer to the section headed "Business Review – Further Enhancing Manufacturing Capabilities".

Save as disclosed in this report, as of 30 June 2019, the Group did not make any significant investments.

	31 December 2018 RMB'000
Plant and machinery	41,980
Construction in progress	1,787
Electronic equipment	13,855
Leasehold improvements	15,270
Others	509
	73,401

We had capital commitments for plant and machinery contracted but not provided for of RMB73.2 million as at 30 June 2019, respectively. These capital commitments primarily relate to expenditures expected to be incurred for the purchase of machinery, renovation of our existing laboratories and buildings, as well as research and development costs to be capitalised.

As of 30 June 2019, the Group did not have any significant contingent liabilities.

As of 30 June 2019, the Group did not conduct any material acquisitions and disposals.

As of 30 June 2019, the Group is principally engaged in business in the PRC, in which most of the transactions are settled in Renminbi with no significant foreign exchange risk. No financial instrument for hedging foreign exchange risk or other hedging purpose was employed.

Currently, the major business operation of the Group is in the PRC and most of the revenue and expenses are settled in RMB, which is the Group's reporting currency. Following the Global Offering, the Group may also maintain a significant portion of the proceeds from the offering in HKD before they are used in our PRC operations. Furthermore, with the acceleration of the Group's development in overseas markets, it is expected the sales revenue denominated in USD and EUR will increase significantly in the future. Fluctuations in exchange rates may adversely affect the Group's cash flows, revenues, earnings and financial position.

The biologics market is highly competitive, and the Group's existing commercialised products and products that may be commercialised in the future face competition from pharmaceutical companies around the world on various factors such as treatment indication, drug novelty, drug quality and reputation, breadth of our drug portfolio, manufacturing and distribution capacity, drug price, coverage and depth of customer, consumer behaviour and supply chain relationships. The Group's ability to remain competitive depends to a large extent on our ability to innovate, develop and market new products and technologies that meet market needs in a timely manner to capture market share.

The global biologics market is constantly evolving, and the Group invests significant amounts of human and capital resources to develop, enhance or acquire technologies that will allow the Group to enhance the scope and quality of our services. Most of the Group's drug candidates are under development and are in the clinical development stages, and the course of clinical development involves a lengthy and expensive process with uncertainties in various aspects, there can be no assurance from the Group of the development and clinical results. Furthermore, if the clinical development and regulatory approval process of our drug candidates were delayed or terminated, the successful development and commercialisation of the Group's drug candidates in a timely manner maybe adversely affected.

The following table sets forth the breakdown of our employees by function as at 30 June 2019:

Management and administrative	114
Research and development	260
Quality and technical support	168
Manufacturing	171
Clinical medical affairs	161

The Group enters into individual employment contracts with our employees setting out terms such as salaries, bonuses, grounds for termination and confidentiality. Employment contracts with our R&D personnel also typically contain a non-competition clause. The Group also provides benefits to our employees as part of their compensation package which we believe is in line with industry norm. For example, PRC-based employees are entitled to social insurance as mandated by the PRC Social Insurance Law, including pension, basic medical insurance, maternity insurance, work-related injury insurance, unemployment insurance and housing provident fund. To stay competitive in the market for talents, we have also adopted share award schemes to give incentives to our employees. The Group emphasises on-the-job training as a constant, ongoing objective for the employees. All employees participate in formal training on an annual basis, where the Group focus on the latest technical developments and updates in regulatory requirements.

The H Shares of the Company have been listed on the Main Board of the Stock Exchange since 25 September 2019.

INDEPENDENT REVIEW REPORT

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

		2018 (Unaudited) RMB'000
REVENUE	4	–
Cost of sales		–
		–
Other income and gains	5	20,493
Selling expenses		–
Research and development expenses		(149,309)
Administrative expenses		(38,041)
Other expenses		(2)
Finance costs	7	(32,585)
	6	(199,444)
Income tax expense	8	(3,323)
		(202,767)
Owners of the parent		(191,664)
Non-controlling interests		(11,103)
		(202,767)
Basic and diluted (RMB)	10	0.46

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	2018 (Unaudited) RMB'000
	(202,767)
Other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods:	
Exchange differences on translation of foreign operations	196
	196
	(202,571)
Owners of the parent	(189,971)
Non-controlling interests	(12,600)
	(202,571)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		31 December 2018 (Audited) RMB'000
Property, plant and equipment	11	323,979
Right-of-use assets		170,822
Intangible assets		1,382,572
Other non-current assets		130,432
		2,007,805
Inventories		25,203
Trade and bills receivables	12	6,821
Contract assets		–
Prepayments, deposits and other receivables		89,947
Pledged deposits		6,024
Cash and cash equivalents		958,990
		1,086,985
Trade and bills payables	13	85,309
Other payables and accruals		296,348
Contract liabilities		9,108
Interest-bearing bank and other borrowings	14	142,678
		533,443
		553,542
		2,561,347
Interest-bearing bank and other borrowings	14	385,340
Contract liabilities		335,347
Deferred income		38,111
		758,798
		1,802,549
Share capital	15	474,433
Reserves		1,328,116
		1,802,549
		–
		1,802,549

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

At 31 December 2018 (audited)			
Loss of the period			
Other comprehensive loss for the period:			
–	–	–	

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	2018 (Unaudited) RMB'000
Loss before tax	(199,444)
Adjustments for:	
Finance costs	32,585
Depreciation of property, plant and equipment	8,497
Depreciation of right-of-use assets	9,226
Amortization of intangible assets	1,996
Amortization of deferred income	(146)
Exchange loss/(gain)	(15,818)
Loss on disposal of items of property, plants and equipment	–
Share-based payment expense	23,655
Cash outflows before working capital changes	(139,449)
Increase in inventories	(3,514)
(Increase)/decrease in trade and bills receivables	14,397
Increase in prepayments, deposits and other receivables	(44,585)
Increase in contract assets	–
Increase in pledged deposits	(3,220)
Increase in trade and bills payables	36,724
Decrease in other payables and accruals	(2,053)
Increase in contract liabilities	82,385
Increase in deferred income	–
Cash used in operations	(59,315)
Tax paid	(3,323)
Net cash flows used in operating activities	(62,638)
Purchases of items of property, plant and equipment and other non-current assets	(63,441)
Additions to intangible assets	(230,466)
Loan to a related party	(300,000)
Repayment of loan from a related party	300,000
Net cash flows used in investing activities	(293,907)

	2018 (Unaudited) RMB'000

NOTES TO THE HISTORICAL FINANCIAL INFORMATION

Shanghai Henlius Biotech, Inc. (the "Company") is a joint stock company with limited liability established in the People's Republic of China ("PRC"). The registered office of the Company is located at Room 303, 304, Block 7, No.1999 Zhangheng Road, China (Shanghai) Pilot Free Trade Zone, PRC.

The Company and its subsidiaries are involved in the following principal activities:

- biopharmaceutical research and development ("biopharmaceutical R&D")
- biopharmaceutical service
- biopharmaceutical production

In the opinion of the Directors, the holding company of the Company is Shanghai Fosun New Medicine Research Company Limited which is registered in the PRC, the ultimate holding company of the Company is Fosun International Holdings Limited which is registered in Hong Kong, and the ultimate controlling shareholder of the Company is Mr. Guo Guangchang.

The H shares of the Company have been listed on the Main Board of the Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 25 September 2019 (the "Listing Date").

The interim condensed consolidated financial information for the six months ended 30 June 2019 has been prepared in accordance with IAS 34 Interim Financial Reporting. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's Historical Financial Information included in Accountants' Report set forth in Appendix I to the Company's prospectus dated 12 September 2019 (the "Prospectus").

The Group recorded net current liabilities of RMB127,514,000 as at 30 June 2019. In view of the net current liabilities position, the Directors have given careful consideration to the future liquidity and performance of the Group and its available sources of finance in assessing whether the Group will have sufficient financial resources to continue as a going concern. On 30 June 2019, based on the arrangements entered into with the licensed bank in Mainland China, the undrawn banking facilities of the Group was RMB270,000,000. In addition, the Company received net proceeds amounting to HKD3,096,344,000 before any exercise of over-allotment option from the initial public offering of the Company's shares on the Listing Date. Having considered the cash flows from operations and its available resource of finance, the Directors are of the opinion the Group is able to meet in full its financial obligations as they fall due for the foreseeable future and it is appropriate to prepare the interim condensed financial information of the Group for the six months ended 30 June 2019 on a going concern basis.

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's Historical Financial Information that contained in the Appendix I to the Prospectus. All the International Financial Reporting Standards ("IFRSs") effective for the accounting period commencing from 1 January 2019 together with the relevant transitional provisions, have been early adopted by the Group in the preparation of the Historical Financial Information.

The Group is engaged in biopharmaceutical research, biopharmaceutical service and biopharmaceutical production, which is regarded as a single reportable segment in a manner consistent with the way in which information is reported internally to the Group's senior management for purposes of resource allocation and performance assessment. Therefore, no analysis by operating segment is presented.

The Group's operations are not subject to seasonality.

An analysis of revenue is as follows:

	2018 RMB'000 (Unaudited)
Revenue from contracts with customers	
Sale of goods	–
License fee income	–
Rendering of service	–

Disaggregated revenue information for revenue from contracts with customers

	2018 (Unaudited)
China	–
Goods or services transferred at a point in time	–
Services transferred over time	–

An analysis of other income and gains is as follows:

	2018 RMB'000 (Unaudited)
Government grants	229
Interest income	4,235
Exchange gains	15,818
Others	211
	20,493

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

	2018 RMB'000 (Unaudited)
Cost of inventories sold	–
Depreciation of property, plant and equipment	573
Depreciation of right-of-use assets	2,436
Amortisation of other intangible assets	157
Research and development costs:	
Current year expenditure	149,309
Including:	
Depreciation of property, plant and equipment	7,924
Depreciation of right-of-use assets	6,790
Amortization of intangible assets	1,839
Employee benefit expense (excluding share-based payment expense)	37,331
Share-based payment expense	17,939
IPO listing expenses	3,573
Auditor's remuneration	150
Employee benefit expense (including Directors' and chief executive's remuneration):	
Wages and salaries	11,413
Staff welfare expenses	3,415
Share-based payment expense	5,715
Foreign exchange loss/(gain), net	(15,818)
Bank interest income	(4,235)
Loss on disposal of items of property plants and equipment	–

An analysis of finance costs is as follows:

	2018 RMB'000 (Unaudited)
Interest expense on entrusted loans from a related party	25,827
Interest expense on bank and other borrowings	522
Interest expense on lease liabilities	6,236
	32,585

The provision for Mainland China current income tax is based on the statutory rate of 25% of the assessable profits of the Group as determined in accordance with the PRC Corporate Income Tax Law which was approved and became effective on 1 January 2008, except for the Company which is taxed at a preferential rate of 15%.

Taxes on profits assessable elsewhere have been calculated at the tax rates prevailing in the jurisdictions in which the Group operates. The provision for current income tax of Taiwan Henlius, a subsidiary of the Group incorporated in Taiwan, is based on the statutory rate of 19% for the six months ended 30 June 2019.

A reconciliation of the tax expense applicable to loss before tax at the statutory rates for the jurisdictions in which the Company and its subsidiaries are domiciled to the tax expense at the effective tax rates, and a reconciliation of the applicable rates (i.e., the statutory tax rates) to the effective tax rates, are as follows:

	2018 RMB'000 (Unaudited)
Current – China	3,323

No dividend has been paid or declared by the Company during the Period.

The calculation of the basic loss per share amounts is based on the loss attributable to ordinary equity holders of the parent and the weighted average number of of ordinary shares of 451,683,053 (six months ended 30 June 2018: 418,970,498) in issue during the period.

The calculation of the diluted loss per share amounts is based on the loss for the year attributable to ordinary equity holders of the parent. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the six months ended 30 June 2019, as used in the basic loss per share calculation, and the weighted average number of all dilutive potential ordinary shares into ordinary shares.

	2018 RMB'000 (Unaudited)
Loss attributable to ordinary equity holders of the parent used in the basic loss per share calculation	(191,664)
Weighted average number of ordinary shares in issue during the period used in the basic loss per share calculation	418,970,498
Effect of dilution – weighted average number of ordinary shares: Restricted shares under share award scheme	–
	418,970,498

Because the diluted loss per share amount is decreased when taking restricted shares issued under the 2018 share award scheme into account which had been disclosed in Appendix I to the Prospectus, the restricted shares had an anti-dilutive effect of the basic loss per share during the six months ended 30 June 2019 and were ignored in the calculation of diluted loss per share.

Carrying value at beginning of the Period (audited)	323,979
Additions	86,662
Disposals	(64)
Depreciation charge	(24,941)
Exchange alignment	55
Carrying value at end of the Period (unaudited)	385,691

As at 30 June 2019, the Group's property, plant and equipment with a net carrying value of RMB124,277,000 (31 December 2018: RMB132,824,000) were pledged as security for interest-bearing bank loans as set out in note 14 to the interim condensed consolidated financial statements.

	31 December 2018 RMB'000 (Audited)
Trade receivables	5,821
Bills receivables	1,000
	6,821

Trade and bills receivables are non-interest-bearing.

An ageing analysis of the trade and bills receivables, based on the invoice date and net of provisions is as follows:

	31 December 2018 RMB'000 (Audited)
Within 1 year	1,521
1 to 2 years	5,300
	6,821

	31 December 2018 RMB'000 (Audited)
Trade payables	79,285
Bills payables	6,024
	85,309

Trade and bills payables are non-interest-bearing and are normally settled on terms of three to six months.

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

	31 December 2018 RMB'000 (Audited)
Within 1 year	85,299
1 to 2 years	10
2 to 3 years	–
	85,309

		31 December 2018 RMB'000 (Audited)
Bank loans		
Secured	(a)	249,992
Unsecured		70,000
Other loans:		
Secured	(b)	4,624
Unsecured		11,460
Lease liabilities		191,942
		528,018
Within one year		142,678
In the second year		121,434
In the third to fifth years, inclusive		204,847
Beyond five years		59,059
		528,018
Current portion		142,678
Non-current portion		385,340

Notes:

(a) The bank loans with the amount of RMB41,720,000 are secured by all the trade receivables and other receivables owned by the Company from the date of the bank loan agreement to the date of the bank loan were fully and completely repaid. As at 30 June 2019, the amount of pledged trade receivables was RMB7,891,000.

The bank loans with the amount of RMB199,992,000 are secured by the mortgage of the Group's equipment owned by the Group. As at 30 June 2019, the mortgaged equipment had a net carrying amount of approximately RMB120,425,000.

(b) The other loans with the amount of RMB4,085,000 are secured by the mortgage of the Group's equipment which had a net carrying amount of approximately RMB3,852,000 at 30 June 2019.

At 31 December 2018 (audited) and 30 June 2019 (unaudited)	474,433,053	474,433,053

The Group had the following capital commitments:

	31 December 2018 RMB'000 (Audited)
Contracted, but not provided	95,561

As at 30 June 2019, the Group did not have any contingent liabilities.

The following companies are related parties that have material transactions or balances with the Group.

Shanghai Fosun Pharmaceutical (Group) Co.,Ltd.* (上海復星醫藥（集團）股份有限公司) ("Fosun Pharma")	Ultimate parent company
Shanghai Clone High Technology Co., Ltd.* (上海克隆生物高技術有限公司) ("Clone High Tech")	Fellow subsidiary
Shanghai Kaimao Bio-Pharmaceutical Co., Ltd.* (上海凱茂生物醫藥有限公司) ("Kai Mao Bio-pharma")	Fellow subsidiary
Shanghai Fosun Pharmaceutical Industrial Development Co., Ltd* (上海復星醫藥產業發展有限公司) ("Fosun Pharma Industrial Development")	Fellow subsidiary
Beijing Fosun Pharmaceutical Research Limited Company* (北京復星醫藥科技開發有限公司) ("Beijing Fosun")	Fellow subsidiary
Jiangsu Wanbang Pharmaceutical Limited Company* (江蘇萬邦生化醫藥集團有限公司) ("Jiangsu Wanbang")	Fellow subsidiary
Fosun Pharmaceutical Distribution (Jiangsu) Co., Ltd (江蘇復星醫藥銷售有限公司) ("Jiangsu Fosun")	Fellow subsidiary
Chongqing Fuchuang Pharmaceuticals Research Co., Ltd. (重慶復創醫藥研究有限公司) ("Chongqing Fuchuang")	Fellow subsidiary
Shanghai Fosun Foundation ("上海復星公益基金會" "Fosun Foundation")	Fellow subsidiary
Sinopharm Group Fuzhou Co.,Ltd (國藥控股福州有限公司) ("Sino Fuzhou")	Associate of the ultimate parent company
Chongqing Xinte Pharmaceutical Co.,Ltd (重慶醫藥新特藥品有限公司) ("Chongqing Xinte")	Associate of the ultimate parent company
Sinopharm Holding Chongqing Taimin Pharmaceutical Co., Ltd (國藥控股重慶泰民醫藥有限公司) ("Sino Chongqing")	Associate of the ultimate parent company
Sinopharm Group Co., Ltd. * (國藥集團化學試劑有限公司) ("Sinopharm")	Associate of the ultimate parent company

* The English names of the companies registered in the PRC represent the best efforts made by the management of the Company in directly translating the Chinese names of these companies as no English names have been registered.

		2018 RMB'000 (Unaudited)
License revenue to related parties		
Fosun Pharma Industrial Development	(i)	–
Services provided to related parties		
Chongqing Fuchuang	(i)	–
Sales of goods to related parties		
Jiangsu Fosun	(i)	–
Sino Fuzhou	(i)	–
Chongqing Xinte	(i)	–
Sino Chongqing	(i)	–
Purchases from related parties		
Sinopharm	(i)	452
Beijing Fosun	(i)	90
Rental of properties		
Clone High Tech	(ii)	21,142
Kai Mao Bio-pharma	(ii)	39
Interest expense of lease liabilities		
Clone High Tech	(ii)	5,472
Advance from customers for exclusive distribution rights		
Fosun Pharma Industrial Development	(iii)	34,440
Jiangsu Wanbang	(iii)	–
Interest expense of contract liabilities		
Fosun Pharma Industrial Development	(iii)	8,280
Jiangsu Wanbang	(iii)	874
Donation to related parties		
Fosun Foundation	(iv)	–

Notes:

(i) During the six months ended 30 June 2019, the transactions were carried out in accordance with the terms and conditions similar to those offered to/by unrelated customers/suppliers in the ordinary course of business.

(ii) The Group leased certain plants, offices, laboratories and vehicles from the related parties. The transactions were carried out in accordance with the terms and conditions similar to those offered by unrelated suppliers in the ordinary course of business.

Notes: *(continued)*

(iii) The Group granted customers exclusive distribution rights to related parties on the Group's certain biopharmaceutical products in the PRC after the Group obtains the market distribution authorisation of such products from China Food and Drug Administration ("CFDA"), the Group received advance payments from the customers accordingly. The transactions were carried out in accordance with the terms and conditions similar to those offered to unrelated customers in the ordinary course of business.

(iv) During the six months ended 30 June 2019, the Group donated RMB500,000 to the Shanghai Fosun Foundation for public welfare medical service, poverty reduction and study fellowship.

	31 December 2018 RMB'000 (Audited)
Trade and bills receivables	
Jiangsu Fosun	–
Sino Fuzhou	–
Chongqing Xinte	–
Jiangsu Wanbang	1,000
Fosun Pharma Industrial Development	250
Kai Mao Bio-pharma	21
Prepayments, deposits and other receivables	
Beijing Fosun	320
Trade payables	
Sinopharm	32
Interest-bearing bank and other borrowings-lease liabilities	
Clone High Tech	165,008
Other payables and accruals	
Shanghai Xingyi	113
Kai Mao Bio-pharma	36
Contract liabilities	
Fosun Pharma Industrial Development	224,221
Jiangsu Wanbang	57,771

Notes:

The Group's balances due from and due to the related companies are trade in nature, unsecured, non-interest-bearing and have no fixed terms of repayment except for the interest-bearing bank and other borrowings-lease liabilities.

	2018 RMB'000 (Unaudited)
Wages and salaries	2,760
Performance related bonuses	1,108
Staff welfare expenses	152
Share award scheme	3,732
	7,752

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

	Fair value RMB'000
Interest-bearing and bank borrowings-non-current	516,365

	Fair value RMB'000
Interest-bearing and bank borrowings-non-current	388,199

Management has assessed that the fair values of trade and bills receivables, pledged deposits, cash and cash equivalents, trade and bills payables, financial assets included in prepayments, deposits and other receivables, financial liabilities included in other payables and accruals, and the current portion of interest-bearing bank and other borrowings approximate to their carrying amounts largely due to the short term maturities of these instruments.

The Group's principal financial instruments comprise cash and cash equivalents, and interest-bearing bank and other borrowings. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade and bills receivables, financial assets included in prepayments, deposits and other receivables, trade and bills payables and financial liabilities included in other payables and accruals, which arise directly from its operations.

The fair values of the non-current portion of interest-bearing bank borrowings have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The Group's own non-performance risk for interest-bearing bank and other borrowings as at 30 June 2019 was assessed to be insignificant.

Liabilities for which fair values are disclosed:

As at 30 June 2019

Interest-bearing bank and other borrowings-non-current	—	—	

As at 31 December 2018

	Fair value measurement using			
	Quoted prices In active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	Total RMB'000
Interest-bearing bank and other borrowings-non-current	—	388,199	—	388,199

There has been no significant event since the end of the Period.

The Group's results for the six months ended 30 June 2019 and the state of affairs of the Group as at 30 June 2019 are set out in the interim condensed consolidated financial statements and the accompanying notes on pages 16 to 34. The Board has not recommended the distribution of any interim dividend for the Reporting Period.

On 25 September 2019, the H Shares of the Company were listed on the Main Board of the Stock Exchange. The global offering of the H Shares (the " ") comprised the Hong Kong public offering of 6,469,600 H Shares and the international offering of 58,225,800 H Shares (subject to the Over-allotment Option granted by the Company). Net proceeds from the Global Offering before any exercise of the Over-allotment Option received by the Company were approximately HK$3,096.3 million. The Company intends to apply such net proceeds in accordance with the purposes as set out in the Prospectus. As at the date of this interim report, the Company has not used any of the net proceeds received from the Global Offering.

Immediately before the completion of the Global Offering, the Company's registered capital was RMB474,433,053, divided into 364,189,618 Domestic Shares and 110,243,435 unlisted foreign Shares with a nominal value of RMB1.00 each.

Immediately following the completion of the Global Offering, the Company's registered capital comprises of 364,189,618 Domestic Shares, 94,366,741 H Shares converted from unlisted foreign Shares, 15,876,694 unlisted foreign Shares, and 64,695,400 H Shares issued pursuant to the Global Offering. As at the date of this interim report, the total issued share capital of the Company is RMB539,128,453, comprising of 539,128,453 issued and fully paid Shares of RMB1.00 each.

Rule 8.08(1) of the Listing Rules requires that there must be an open market in the securities for which listing is sought and that a sufficient public float of an issuer's listed securities must be maintained. The Company has applied to the Stock Exchange, and the Stock Exchange has granted, a waiver that the minimum public float requirement under Rule 8.08(1)(a) be reduced. Based on the information that is publicly available to the Company and to the best knowledge of the Directors, the Company has maintained a public float of no less than 18.1% of the total issued share capital of the Company as at the date of this interim report.

From the Listing Date to the date of this interim report, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

As at the Latest Practicable Date, the Directors/Supervisors and chief executive of the Company have no short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO). The interest or long positions of Directors/Supervisors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or the interest and long positions should be notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

Scott Shi-Kau Liu	2,410,695	H Shares	Legal and beneficial owner	1.52%	0.45%
	58,977,060	H Shares	Interest in controlled entity(1)	37.08%	10.94%

Note:

(1) As at the Latest Practicable Date, Dr. Scott Shi-Kau Liu held approximately 62.96% of the shares in Cayman Henlius. Dr. Scott Shi-Kau Liu was deemed to be interested in the H Shares which Cayman Henlius was interested in under the SFO.

(2) The corresponding total number of relevant class of Shares and total Shares in the calculation of percentage are the number as at the date of this interim report.

Scott Shi-Kau Liu	Fosun International	3,000,000 shares	Legal and beneficial owner	0.035%
Qiyu Chen	Fosun International	17,418,000 shares	Legal and beneficial owner	0.204%
	Fosun Pharma	114,075 A shares	Legal and beneficial owner	0.006%
	Fosun Tourism Group	1,478 shares	Legal and beneficial owner	0.000%
Yifang Wu	Fosun Pharma	342,000 H shares	Legal and beneficial owner	0.062%
	Fosun Pharma	718,900 A shares	Legal and beneficial owner	0.036%
Xiaohui Guan	Fosun Pharma	181,000 A shares	Legal and beneficial owner	0.009%
Jiemin Fu	Fosun Pharma	196,000 A shares	Legal and beneficial owner	0.010%
Deli Kong	Fosun Pharma	8,500 A shares	Legal and beneficial owner	0.0004%

Save as disclosed in the foregoing, as at the date of this interim report, none of the Directors/Supervisors or chief executive of the Company or their respective close associates had any interests or short/long positions in any shares, underlying shares or debentures of the Company or any of its associated corporations as recorded in the register required to be kept pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

During the Reporting Period, no rights to acquire benefits by means of the acquisition of shares, underlying shares or debentures of the Company were granted to any Directors/Supervisors or chief executive or their respective spouses or minor children, or were any such rights exercised by them; nor was the Company, its holding company, or any of its subsidiaries or fellow subsidiaries a party to any arrangement which enabled the Directors/Supervisors or chief executive to acquire such rights in any other body corporate.

As at the Latest Practicable Date, the following persons (other than the Directors/Supervisors or chief executive of the Company) had the following interests and/or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept pursuant to Section 336 of Part XV of the SFO:

Fosun New Medicine	Legal and beneficial owner	Domestic Shares	265,971,569	73.03%	49.33%
Fosun Pharma Industrial Development[1]	Legal and beneficial owner	Domestic Shares	23,873,818	6.56%	4.43%
	Interest in controlled entity	Domestic Shares	265,971,569	73.03%	49.33%
Fosun Pharma[2]	Interest in controlled entity	Domestic Shares	289,845,387	79.59%	53.76%
Fosun High Tech[3]	Interest in controlled entity	Domestic Shares	289,845,387	79.59%	53.76%
Fosun International[4]	Interest in controlled entity	Domestic Shares	289,845,387	79.59%	53.76%
FHL[5]	Interest in controlled entity	Domestic Shares	289,845,387	79.59%	53.76%
FIHL[6]	Interest in controlled entity	Domestic Shares	289,845,387	79.59%	53.76%
Guangchang Guo[7]	Interest in controlled entity	Domestic Shares	289,845,387	79.59%	53.76%
Al-Rayyan Holding LLC	Legal and beneficial owner	H Shares	14,213,700	8.94%	2.64%
Cayman Henlius	Legal and beneficial owner	H Shares	58,977,060	37.08%	10.94%
Wei-Dong Jiang	Legal and beneficial owner	H Shares	686,455	0.43%	0.13%
	Interest in controlled entity[8]	H Shares	58,977,060	37.08%	10.94%

Notes:

(1) As at the Latest Practicable Date, Fosun New Medicine was wholly-owned by Fosun Pharma Industrial Development. Fosun Pharma Industrial Development was deemed to be interested in the Domestic Shares which Fosun New Medicine was interested in.

(2) As at the Latest Practicable Date, Fosun Pharma Industrial Development was wholly-owned by Fosun Pharma. Fosun Pharma was deemed to be interested in the Domestic Shares which Fosun Pharma Industrial Development was interested in.

(3) As at the Latest Practicable Date, Fosun High Tech held approximately 37.87% of the shares in Fosun Pharma. Fosun High Tech was deemed to be interested in the Domestic Shares which Fosun Pharma was interested in.

(4) As at the Latest Practicable Date, Fosun High Tech was wholly-owned by Fosun International. Fosun International was deemed to be interested in the Domestic Shares which Fosun High Tech was interested in.

(5) As at the Latest Practicable Date, FHL directly held approximately 70.76% of the shares in Fosun International. FHL was deemed to be interested in the Domestic Shares which Fosun International was interested in.

(6) As at the Latest Practicable Date, FHL was wholly-owned by FIHL. FIHL was deemed to be interested in the Domestic Shares which FHL was interested in.

(7) As at the Latest Practicable Date, Mr. Guangchang Guo held approximately 85.29% of the shares in FIHL. Mr. Guangchang Guo was deemed to be interested in the Domestic Shares which FIHL was interested in.

(8) As at the Latest Practicable Date, Dr. Wei-Dong Jiang held approximately 37.04% of the shares in Cayman Henlius. Dr. Wei-Dong Jiang was deemed to be interested in the H Shares which Cayman Henlius was interested in.

(9) The corresponding total number of relevant class of Shares and total Shares in the calculation of percentage are the number as at the date of this interim report.

Scott Shi-Kau Liu *(Chief Executive Officer and President)*

Qiyu Chen (陳啟宇) *(Chairman)*
Yifang Wu (吳以芳)
Jiemin Fu (傅潔民)
Aimin Hui
Xiaohui Guan (關曉暉)

Tak Young So (蘇德揚)
Lik Yuen Chan (陳力元)
Guoping Zhao (趙國屏)
Ruilin Song (宋瑞霖)

Yong Zhou (周勇) *(Chairman)*
Deli Kong (孔德力)
Jingyi Wang (王靜怡)

Tak Young So (蘇德揚) *(Chairman)*
Lik Yuen Chan (陳力元)
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Yifang Wu (吳以芳)
Scott Shi-Kau Liu
Aimin Hui
Tak Young So (蘇德揚)
Ruilin Song (宋瑞霖)

Xinjun Guo (郭新軍)
Ching Ching Leung (梁晶晶) *(Member of the Hong Kong Institute of Chartered Secretaries)*

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DEFINITIONS

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

"Accord"	Accord Healthcare Limited
"Biosimilar Guidelines"	the Guidelines for the R&D and Evaluation of Biosimilars (Trial) (《生物類似藥研發與評價技術指導原則(試行)》)
"Board"	the board of Directors of the Company
"Cayman Henlius"	Henlius Biopharmaceuticals, Inc., a company established in Cayman Islands on 23 February 2009, and a substantial shareholder
"Company"	Shanghai Henlius Biotech, Inc., a joint stock company incorporated under the laws of the PRC with limited liability and whose H Shares are listed on the Stock Exchange
"Director(s)"	the director(s) of the Company
"Domestic Share(s)"	Ordinary Shares issued by the Company in the PRC with a nominal value of RMB1.00 each, which are subscribed for and paid for in RMB
"FDA"	the United States Food and Drug Administration
"FHL"	Fosun Holdings Limited (復星控股有限公司), a company incorporated in Hong Kong on 18 February 2005 with limited liability, and a controlling shareholder
"FIHL"	Fosun International Holdings Ltd. (復星國際控股有限公司), a company incorporated in the British Virgin Islands on 9 September 2004 with limited liability, and a controlling shareholder
"Fosun High Tech"	Shanghai Fosun High Technology (Group) Co., Ltd. (上海復星高科技(集團)有限公司), a company incorporated in the PRC on 8 March 2005, and a controlling shareholder
"Fosun International"	Fosun International Limited (復星國際有限公司), a company incorporated in Hong Kong on 24 December 2004 with limited liability, the shares of which are listed on the Main Board of the Stock Exchange, and a controlling shareholder
"Fosun New Medicine"	Shanghai Fosun New Medicine Research Company Limited (上海復星新藥研究有限公司), a company incorporated in the PRC on 12 September 2008 with limited liability, and a controlling shareholder
"Fosun Pharma"	Shanghai Fosun Pharmaceutical (Group) Co., Ltd. (上海復星醫藥(集團)股份有限公司), a joint stock company established in the PRC, the H shares and A shares of which are listed and traded on the Main Board of the Stock Exchange and the Shanghai Stock Exchange, respectively, and a controlling shareholder
"Fosun Pharma Industrial Development"	Shanghai Fosun Pharmaceutical Industrial Development Co., Ltd. (上海復星醫藥產業發展有限公司), a company incorporated in the PRC on 27 November 2001 with limited liability, and a controlling shareholder
"Global Offering"	the global offering comprises the Hong Kong public offering of 6,469,600 H Shares and the international offering of 58,225,800 H Shares (subject to the Over-allotment Option granted by the Company)
"Greater China"	includes Mainland China, Taiwan, Hong Kong and the Macau Special Administrative Region of the PRC
"Group", "we", "our" or "us"	the Company and its subsidiaries
"HK$ or "Hong Kong dollars"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"H Shares"	overseas listed foreign share(s) in the Company's ordinary share capital, with a nominal value of RMB1.00 each, which will be listed on the Stock Exchange and traded in Hong Kong dollars

"IND"	investigational new drug or investigational new drug application, also known as clinical trial application in China
"International Underwriting Agreement"	has the same meaning as set out in the Prospectus
"KG Bio"	PT Kalbe Genexine Biologics
"Latest Practicable Date"	18 September 2019, being the latest practicable date for ascertaining certain information contained in this interim report
"Listing"	the listing of the H Shares on the Main Board of the Stock Exchange
"Listing Date"	25 September 2019, being the date on which the H Shares were listed on the Main Board of the Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"MAA"	marketing authorisation application
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules
"NDA"	new drug application
"NMPA"	the National Medical Products Administration of the PRC
"Over-allotment Option"	an additional of not more than 9,704,300 H Shares to be issued by the Company pursuant to the International Underwriting Agreement, bearing the same meaning as set out in the Prospectus
"PRC", "China" or "Mainland China"	the People's Republic of China, but for the purposes of this interim report only, except where the context requires, references in this interim report to PRC, China or Mainland China exclude Hong Kong, Macau and Taiwan
"Prospectus"	the prospectus issued by the Company on 12 September 2019 in connection with the Global Offering
"Reporting Period"	the six months ended 30 June 2019
"R&D"	research and development
"RMB"	Renminbi, the lawful currency of the PRC
"SFC"	the Securities and Futures Commission of Hong Kong
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended or supplemented from time to time
"Share(s)"	ordinary shares with par value RMB1.00 each in the share capital of the Company
"Songjiang Facility"	the Company's manufacturing facility currently under construction in the Songjiang District of Shanghai
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Supervisor(s)"	the supervisors(s) of the Company
"Taiwan Henlius"	Henlix Biotech Co., Ltd. (漢霖生技股份有限公司), a wholly-owned subsidiary of the Company incorporated in Taiwan in October 2010
"U.S." or "United States"	the United States of America, its territories and possessions, any state of the United States and the District of Columbia
"US$"	U.S. Dollars, the lawful currency of the U.S.
"Xuhui Facility"	the Company's manufacturing facility located in the Xuhui District of Shanghai