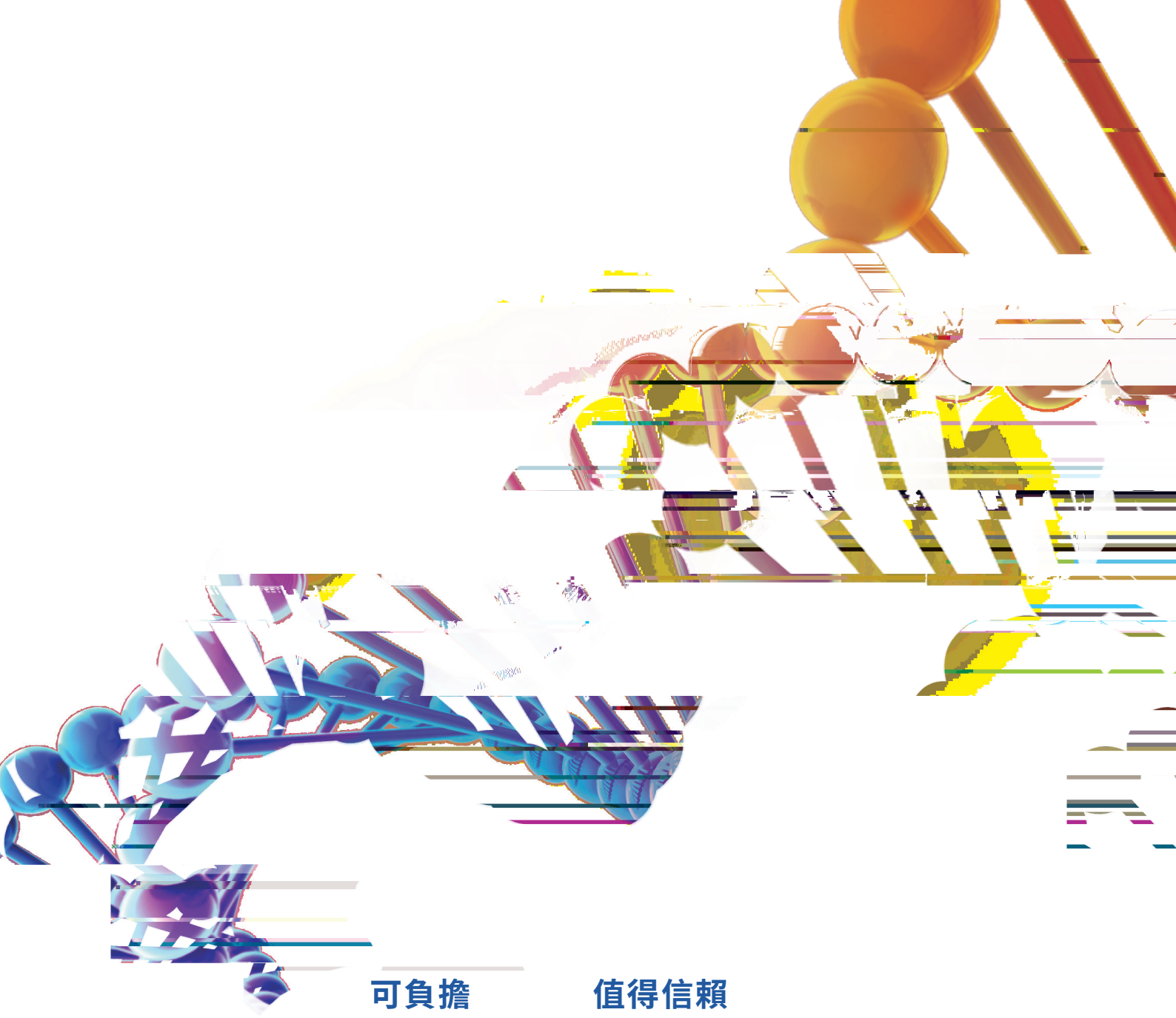
Henlius

SHANGHAI HENLIUS BIOTECH, INC.
上海復宏漢霖生物技術股份有限公司

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

2021 ANNUAL REPORT

RELIABLE QUALITY
AFFORDABLE INNOVATION



可負擔　　值得信賴

RELIABLE QUALITY **AFFORDABLE** INNOVATION

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CORPORATE INFORMATION

DIRECTORS

Executive director

Non-executive directors

陳啟宇
吳以芳
關曉暉

晏子厚

Independent non-executive directors

蘇德揚
陳力元
趙國屏
宋瑞霖

SUPERVISORS

馮蓉麗
孔德力
劉俊宏

AUDIT COMMITTEE

蘇德揚
陳力元
關曉暉

NOMINATION COMMITTEE

趙國屏
宋瑞霖
陳啟宇

REMUNERATION COMMITTEE

宋瑞霖
陳力元
吳以芳

STRATEGY COMMITTEE

陳啟宇
吳以芳

晏子厚
蘇德揚
宋瑞霖

ENVIRONMENTAL, SOCIAL AND GOVERNANCE COMMITTEE

陳力元
蘇德揚
宋瑞霖

晏子厚

JOINT COMPANY SECRETARIES

王燕
梁晶晶

郭新軍

AUTHORISED REPRESENTATIVES

梁晶晶

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN CHINA

REGISTERED OFFICE IN CHINA

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

H SHARES REGISTRAR

AUDITOR AND REPORTING ACCOUNTANTS

LEGAL ADVISERS TO THE COMPANY

STOCK SHORT NAME

STOCK CODE

COMPANY WEBSITE

CHAIRMAN'S STATEMENT

I. FINANCIAL SUMMARY

For the Year Ended 31 December 2021

	2021 RMB' 000
	1,682,472 (522,748)
Gross profit	1,159,724 45,091 (520,261) (280,606) (174) (1,023,930) (251,763) (84,820)
Loss before tax	(956,739) (27,313)
Loss for the year	(984,052)

II. FIVE YEARS' FINANCIAL SUMMARY

Results

	2021	
	1,682,472	
	(956,739)	
	(27,313)	
	(984,052)	
	(984,052)	

Assets and Liabilities

	2021	
	7,172,844	
	(4,876,088)	
	2,296,756	

III. HIGHLIGHTS OF THE YEAR

1 HANQUYOU (trastuzumab injection, EU brand name: Zercepac®):

:

®

®

®

2 HANLIKANG (rituximab injection):

3 HANDAYUAN (adamumab injection):

4 HANBEITAI (bevacizumab injection):

5 HANSIZHUANG (serplulimab injection):

6 Business Expansion:

®

7 Efficient Advancement on Clinical Research Projects both Domestically and Internationally:

8 **Efficient Advancement for Pre-Clinical Development Projects:**

9 **Biopharmaceutical Industrialization Base Layout with International Standards and High Cost-Efficiency:**

《藥品生產許可證》

IV. OUR PRODUCT PIPELINE

BRAF V600E Soli

MANAGEMENT DISCUSSION AND ANALYSIS

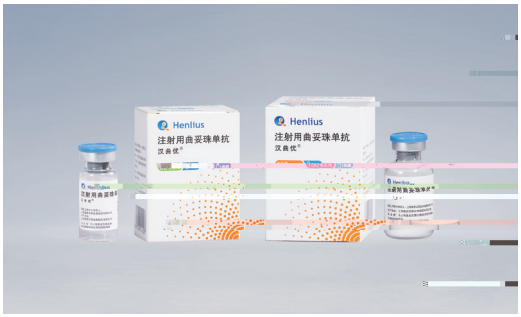
I. BUSINESS REVIEW

(I) Strong global product commercialization capability

1. Commercialization process of marketed core products

Commercialization process of HANQUYOU (trastuzumab injection, EU brand name: Zercepac®) in Mainland China and EU (a therapeutic product for breast cancer and gastric cancer)

—



《藥品生產許可證》

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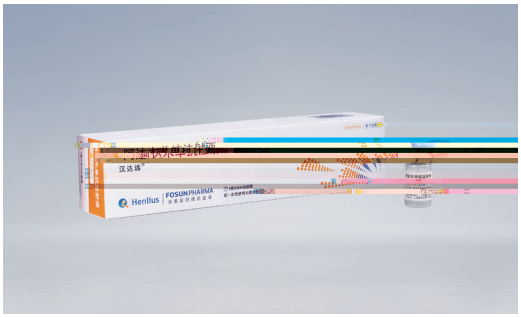
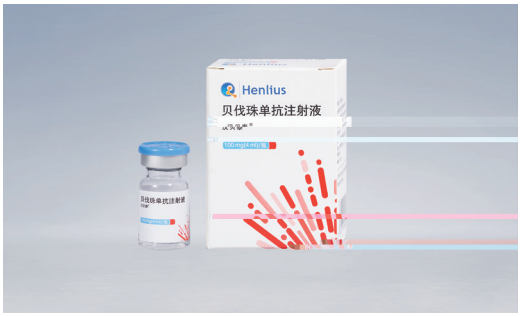
Commercial sales of HANLIKANG (rituximab injection) (a therapeutic product for hematological tumors and autoimmune diseases)

Commercial sales of HANDAYUAN (adamumab injection) (a therapeutic product for autoimmune disease)



HANBEITAI (bevacizumab injection) was approved for marketing, providing high-quality drug options for patients with lung cancer and colorectal cancer



HANSIZHUANG (serplulimab injection) was approved for marketing, providing new treatment options for patients with microsatellite instability-high (MSI-H) advanced solid tumours

2. Products to be commercialized in the near future

HANSIZHUANG (serplulimab injection)

3. Commercialization deployment in international markets during the Reporting Period

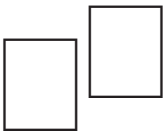
(II) Layout of industrialization base for biomedicines with high economic benefit based on international standards

Xuhui Facility (granted with dual GMP certification of China and EU, with commercial production capacity increasing from 20,000L to 24,000L)

Songjiang First Plant (with production capacity construction of 24,000 L and equipment verification completed, manufacturing certificate granted)

《藥品生產許可證》

(III) Sustainable global clinical development capability on medical products



1. Continuous and efficient advancement on clinical research products

Progress of international clinical research projects

Progress of domestic clinical study projects

2. **Efficient advancement on IND application for pre-clinical development projects**

Product name (targets)	Indications	Progress as at the Latest Practicable Date
Efficient advancement on international clinical research projects		
HLX04-O (VEGF)		
HLX71 (S1 Protein of SARS-CoV-2)		
HLX301 (PD-L1×TIGIT)		
HANSIZHUANG in combination with chemotherapy (PD-1)		
Smooth progress of domestic clinical projects		
HANSIZHUANG in combination with HANBEITAI (PD-1+VEGF)		
HANSIZHUANG in combination with HANBEITAI and chemotherapy (PD-1+VEGF)		
HANSIZHUANG (PD-1)		
HANSIZHUANG in combination with HLX07 (PD-1+EGFR)		

Product name (targets)	Indications	Progress as at the Latest Practicable Date
HANSIZHUANG in combination with chemotherapy (PD-1)		
HANSIZHUANG in combination with chemotherapy (PD-1)		
HANSIZHUANG in combination with HLX07 and HANBEITAI (PD-1+EGFR+VEGF)		
HLX04-O (VEGF)		
HLX22 in combination with HANQUYOU and in combination with chemotherapy (HER2+HER2)		
HLX26 (LAG-3)		
HLX11 (HER2)		
HLX55 (c-MET)		
HLX208 (BRAF V600E)		

Product name (targets)	Indications	Progress as at the Latest Practicable Date
Efficient advancement on IND application for pre-clinical development projects		
HLX15 (CD38)		
HLX23 (CD73)		
HLX35 (EGFR × 4-1BB)		
HLX301 (PD-L1 × TIGIT)		
HLX26 in combination with HANSIZHUANG (LAG-3+PD-1)		

(IV) Social responsibility, environmental policies and performance

II. OUTLOOK FOR 2022

(I) Capitalize on first-entrant advantages and increase the global market coverage of products

(II) Continue to drive approval for more products indications

HANSIZHUANG (serplulimab injection)

(III) Continue to build innovative product pipeline through iterate R&D capabilities

(IV) Maintain high quality standards and continue to promote industrialization deployment

《藥品生產許可證》

III. FINANCIAL REVIEW

(I) Revenue

1) Revenue from Chinese market:

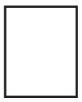
2) Revenue from international market

3) Revenue from joint development and technology transfer/commercialization licensing

(II) Cost of sales

(III) Gross profit

(IV) Other income and gains



	Year ended 31 December 2021 RMB'000
	41,896
	2,686
	509
Total	45,091

(V) R&D expenditure

	Year ended 31 December 2021 RMB'000
Expensed R&D expenses	
	13,188
	338,988
	152,730
	92,712
	15,822
	87,171
	24,709
	136,808
	90,850
	70,953
Total expensed R&D expenses	1,023,930
Capitalised R&D expenses	
	420,143
	195,413
	36,849
	37,669
	28,650
	4,593
	2,858
	4,519
	9,100
Total capitalised R&D expenses	739,793

(VI) Administrative expenses

(VII) Selling and distribution expenses

(VIII) Loss for the year

(IX) Liquidity and capital resources

RMB USD NTD HKD EUR

	RMB'000
	116,978
	7,297
	580,571
	217
	2,270

	Original amount
	116,978
	8,925
	91,061
	30
	9,862

(X) Inventories

(XI) Trade receivables

	As at 31 December 2021 RMB'000
	295,741
	–
	–
	–
	–
Total	295,741

(XII) Interest-bearing bank and other borrowings

(XIII) Maturity structure of outstanding debts

	As at 31 December 2021 RMB'000
	1,570,674
	318,790
	177,956
	555,517
Total	2,622,937

(XIV) Collateral and pledged assets

(XV) Key financial ratios

	31 December 2021
	55.7%
	41.5%
	51.8%

(XVI) Material investment

(XVII) Capital commitments and capital expenditures

	As at 31 December 2021 RMB'000
	55,745
	250,773
	14,096
	45,706
	378
Total	366,698

(XVIII) Contingent liabilities

(XIX) Material acquisitions and disposals

(XX) Dividends

IV. RISK MANAGEMENT

(I) Foreign exchange risk

(II) Exchange rate risk

(III) Potential risks

1. Market Risk

2. Business and Operational Risk

,

3. Potential Risks of Novel Coronavirus

4. Force Majeure Risk

V. EMPLOYEES AND REMUNERATION POLICIES

Function	Number of employees
	203
	335
	255
	610
	304
	527
Total	**2,234**

PROPERTY, PLANT AND EQUIPMENT

CHARGE ON ASSETS

SHARE CAPITAL

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

DISTRIBUTABLE RESERVES

MAJOR CUSTOMERS AND SUPPLIERS

REPORT OF THE BOARD OF DIRECTORS

DIRECTORS

Executive director

Non-executive directors

Independent non-executive directors

SUPERVISORS

BIOGRAPHIES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

DIRECTORS' AND SUPERVISORS' SERVICE CONTRACTS

DIRECTORS' AND SUPERVISORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS OF SIGNIFICANCE

PENSION SCHEME

MANAGEMENT CONTRACT

DIRECTORS' AND SUPERVISORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

DIRECTORS' AND SUPERVISORS' INTEREST IN COMPETING BUSINESS

DIRECTORS'/SUPERVISORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

Interest in shares of the associated corporation

Name	Name of the associated corporation	Nature of interest and capacity	Class	Number of Shares	Approximate percentage in relevant class of Shares

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

Name of Shareholder	Nature of interest and capacity	Class	Number of Shares	Approximate percentage in relevant class of Shares	Approximate percentage in total Shares

PERMITTED INDEMNITY

SHARE OPTION SCHEME

SHARE AWARD SCHEME

EQUITY-LINKED AGREEMENTS

SUFFICIENCY OF PUBLIC FLOAT

PRE-EMPTIVE RIGHTS

DONATIONS

CONTINUING CONNECTED TRANSACTIONS

Framework property leasing agreement

Promotional services agreement

Administrative framework agreement

Sinopharm procurement framework agreement

Sinopharm distribution framework agreement

Collaboration arrangements under the HLX01 agreement and the HLX03 agreement

Review by and confirmation of independent non-executive directors of the company

Confirmation of the auditors

RELATED PARTY TRANSACTIONS

NON-COMPETITION UNDERTAKING

CONTRACT OF SIGNIFICANCE

USE OF PROCEEDS FROM THE INITIAL PUBLIC OFFERING

	Announcement			
Intended use of proceeds as set out in the Prospectus	Allocation of net proceeds in the proportion as set out in the Prospectus and as adjusted in the Announcement[4]	Amounts utilized as at 31 December 2020 (RMB million)	Amounts utilized during the Reporting Period (RMB million)	Amounts not yet utilized as at 31 December 2021 (RMB million)

PROPOSED A SHARE OFFERING ON THE SHANGHAI STOCK EXCHANGE

SUBSEQUENT EVENTS

COMPLIANCE WITH LAWS AND REGULATIONS

SIGNIFICANT LEGAL PROCEEDINGS

RELATIONSHIP WITH STAKEHOLDERS

REPORT OF THE BOARD OF SUPERVISORS

THE DAILY OPERATION OF THE BOARD OF SUPERVISORS

REVIEW OPINIONS OF THE BOARD OF SUPERVISORS ON THE RELATED MATTERS OF THE COMPANY IN 2021

Rongli Feng

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE PRACTICES

MODEL CODE FOR SECURITIES TRANSACTIONS

BOARD OF DIRECTORS

Board Composition

Executive director

Non-executive directors

Independent non-executive directors

Chairman, Chief Executive Officer and President

Independent Non-executive Directors

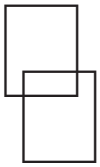
Name of Directors	Type of Training[Note]
Executive Director	
Non-executive Directors	
Independent Non-executive Directors	

BOARD COMMITTEE

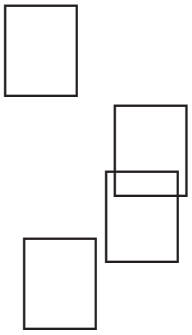
Audit Committee

Remuneration Committee

Nomination Committee



Strategy Committee



Environmental, Social and Governance Committee

Board Diversity Policy

CORPORATE GOVERNANCE REPORT

Corporate Governance Functions

ATTENDANCE RECORDS OF DIRECTORS

RISK MANAGEMENT AND INTERNAL CONTROLS

DIRECTORS' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

AUDITORS' REMUNERATION

–	

JOINT COMPANY SECRETARIES

SHAREHOLDERS' RIGHTS

Convening an Extraordinary General Meeting

Putting Forward Proposals at General Meetings

Contact Details

COMMUNICATION WITH SHAREHOLDERS AND INVESTORS

Policies Relating to Shareholders

BIOGRAPHICAL DETAILS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

BOARD OF DIRECTORS

Mr. Wenjie Zhang

、

山東大學

Mr. Qiyu Chen (陳啟宇)

北京三元食品股份有限公司

迪安診斷

技術集團股份有限公司

中國醫藥物資協會

中國醫藥創新促進會

上海市生物醫藥行業協會

復旦大學

中歐國際工商學院

Mr. Yifang Wu (吳以芳)

復銳醫療科技有限公司

徐州生物化學製藥廠

徐州 萬邦 生物化學製藥廠

徐州萬邦生化製藥有限公司

江蘇萬邦生化醫藥股份有限公司

徐州生物化學製藥廠

徐州 萬邦 生物化學製藥廠

徐州萬邦生化製藥有限公司

江蘇萬邦生化醫藥股份有限公司

南京理工大學

Ms. Xiaohui Guan (關曉暉)

江西財經大學

Dr. Aimin Hui

Mr. Zihou Yan (晏子厚)

成都生物製品研究所有限
責任公司 衛生部成都生物製品研究所
成都生物製品研究所
上海生物製品研究所有限責任公司
四
川大學
電子科技大學

Mr. Tak Young So (蘇德揚)

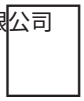
Dr. Lik Yuen Chan (陳力元)

Dr. Guoping Zhao (趙國屏)

中國科學院分子植物科學卓越創新中心合成生物學重點實驗室
復旦大學生命科學學院微生物學與免疫學系
中國科學院上海營養與健康研究所生物醫學大數據中心
中國科學院上海生命科學研究院植物生理生態研究所次生代謝分子調控研究開放實驗室
中國科學院上海生物工程研究中心
中國科學院院士
第三世界科學院院士
復旦大學

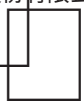
Dr. Ruilin Song (宋瑞霖)

江西博雅生物製藥股份有限公司



山西振東製藥股份有限公司

西藏易明西雅醫藥科技股份有限公司



綠葉製藥集團有限公司

深圳微芯生物有限公司

先聲藥業集團有限公司

加科思藥業集團有限公司

麥迪衛康健康醫療服務科技有限公司

中國醫藥創新促進會

中國醫藥工業科研開發促進會

中國政法大學

中歐國際工商學院

中國藥科大學

BOARD OF SUPERVISORS

Ms. Rongli Feng (馮蓉麗)

SENIOR MANAGEMENT OF THE GROUP

Mr. Jun Zhu 朱俊

上海百利佳生醫
藥科技有限公司

復旦大學
長江商學院

Ms. Wei Huang

華東化工學院

Mr. Xinjun Guo (郭新軍)

杭州九源基
因工程有限公司
杭州泰士生物科技有限公司
浙江賜富醫藥有限公司
上海克隆高技術有限公司
上海凱茂生物醫藥有限公司

復旦大學
浙江大學

Mr. Xinlei Li (李鑫磊)

四川大學

復旦大學－香港大學

INDEPENDENT AUDITOR'S REPORT

KEY AUDIT MATTERS *(CONTINUED)*

Key audit matter	How our audit addressed the key audit matter
Capitalisation of development expenditure	
Impairment of intangible assets	

KEY AUDIT MATTERS *(CONTINUED)*

Key audit matter	How our audit addressed the key audit matter
Revenue recognition of exclusive license contracts	

INDEPENDENT AUDITOR'S REPORT

OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

Ernst & Young

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2021

	2021 RMB'000	
	1,682,472	
	(522,748)	
Gross profit	1,159,724	
	45,091	
	(520,261)	
	(280,606)	
	(174)	
	(1,023,930)	
	(251,763)	
	(84,820)	
LOSS BEFORE TAX	(956,739)	
	(27,313)	–
LOSS FOR THE YEAR	(984,052)	
Attributable to:		
	(984,052)	
	–	–
	(984,052)	
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT		
	(1.83)	

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2021

	2021 RMB'000	
LOSS FOR THE YEAR	(984,052)	
OTHER COMPREHENSIVE LOSS		
	(448)	
OTHER COMPREHENSIVE LOSS FOR THE YEAR, NET OF TAX	(448)	
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	(984,500)	
ATTRIBUTABLE TO:		
	(984,500)	
	–	–
	(984,500)	

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2021

	2021 RMB'000	
NON-CURRENT ASSETS		
	1,228,885	
	3,634,931	
	438,201	
	223,668	
Total non-current assets	5,525,685	
CURRENT ASSETS		
	420,112	
	295,741	
	223,973	
	707,333	
Total current assets	1,647,159	
CURRENT LIABILITIES		
	383,470	
	867,278	
	138,303	
	1,570,674	
Total current liabilities	2,959,725	
NET CURRENT LIABILITIES	(1,312,566)	
TOTAL ASSETS LESS CURRENT LIABILITIES	4,213,119	
NON-CURRENT LIABILITIES		
	1,052,263	
	54,425	–
	653,934	
	155,741	
Total non-current liabilities	1,916,363	
Net assets	2,296,756	
EQUITY		
	543,495	
	1,753,261	
Equity attributable to owners of the parent and total equity	2,296,756	

Zhang Wenjie

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2021

	–	–	–	–		
	–	–	–		–	
	–	–	–			
	–			–	–	
	–	–		–	–	

	Attributable to owners of the parent					
	Share capital RMB'000	Share premium* RMB'000	Other reserve* RMB'000	Exchange fluctuation reserve* RMB'000	Accumulated losses* RMB'000	Total RMB'000
	543,495	5,954,236	(505,208)	(2,573)	(2,791,178)	3,198,772
	–	–	–	–	(984,052)	(984,052)
	–	–	–	(448)	–	(448)
	–	–	–	(448)	(984,052)	(984,500)
	–	55,356	(26,362)	–	–	28,994
	–	–	53,490	–	–	53,490
	543,495	6,009,592	(478,080)	(3,021)	(3,775,230)	2,296,756

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2021

	2021 RMB'000	
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES		
	(956,739)	
	84,820	
	83,976	
	49,607	
	66,593	
	(34,636)	
	16,662	
	174	
	159	
	7,566	
	28,848	–
	932	
	–	
	191,271	–
	(8,389)	–
	–	
	48,417	
	(420,739)	
	(91,708)	
	(99,702)	
	117,994	
	(1,741)	
	20,041	
	262,422	
	208,343	
	95,482	
	90,392	
	–	–
	90,392	
CASH FLOWS USED IN INVESTING ACTIVITIES		
	(460,431)	
	(670,762)	
	(550,610)	–
	549	
	(1,681,254)	

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2021

	2021 RMB'000
CASH FLOWS FROM FINANCING ACTIVITIES	
	2,095,706
	(1,295,651)
	(68,390)

NOTES TO FINANCIAL STATEMENTS

Year ended 31 December 2021

1. CORPORATE AND GROUP INFORMATION

Information about subsidiaries

Name	Place and date of incorporation, place of operations, and kind of legal entity	Issued ordinary/ registered share capital	Percentage of ownership interest Direct	Indirect	Principal activities
				–	
上海復宏漢霖生物製藥有限公司					
				–	
漢霖生技股份有限公司					
				–	
				–	
上海復宏漢霖生物醫藥有限公司					
				–	

1. CORPORATE AND GROUP INFORMATION *(CONTINUED)*

Information about subsidiaries *(CONTINUED)*

Name	Place and date of incorporation, place of operations, and kind of legal entity	Issued ordinary/ registered share capital	Percentage of ownership interest Direct	Indirect	Principal activities
復宏漢霖實業有限公司				–	
安騰 廣州 生物技術有限公司				–	
上海佐臨生物科技有限公司				–	

2.1 BASIS OF PREPARATION

Basis of consolidation

2.1 BASIS OF PREPARATION *(CONTINUED)*

Basis of consolidation *(CONTINUED)*

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES *(CONTINUED)*

2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS

2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS *(CONTINUED)*

2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS *(CONTINUED)*

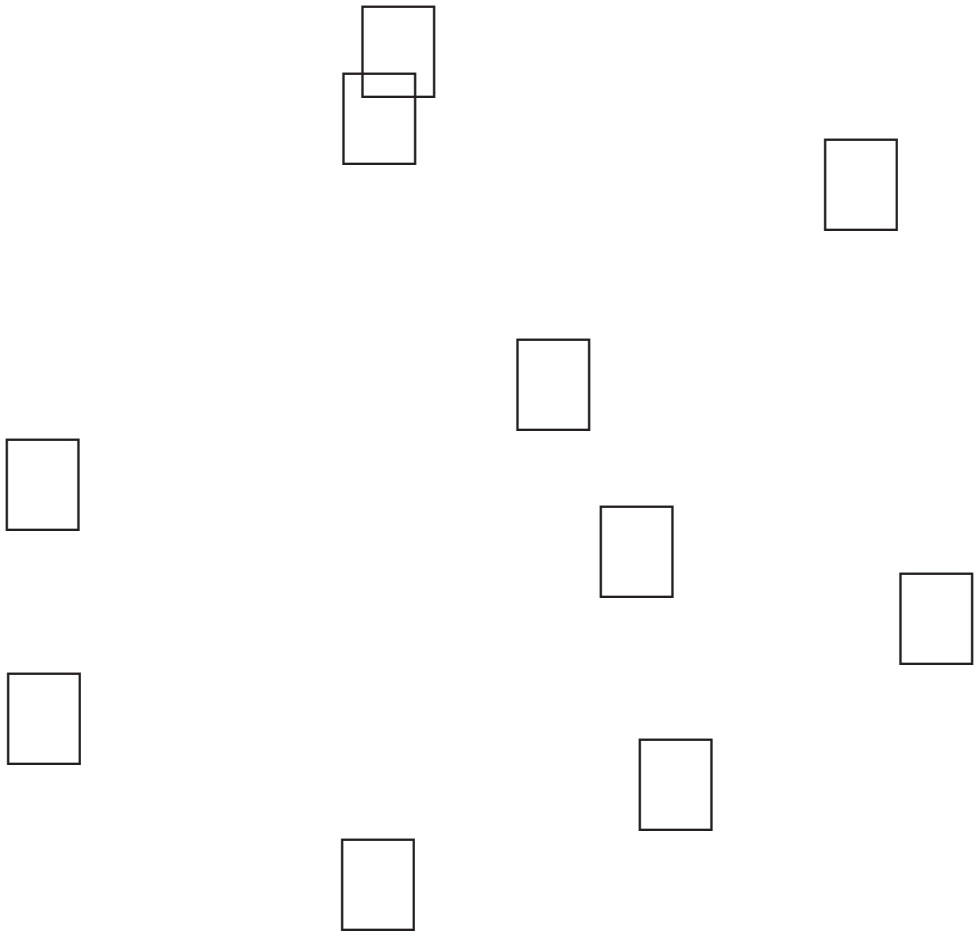
2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

Fair value measurement *(CONTINUED)*

Impairment of non-financial assets

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

Related parties



2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

Property, plant and equipment and depreciation

Intangible assets (other than goodwill)

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

Intangible assets (other than goodwill) *(CONTINUED)*

Non-patent technologies

Medicine licences

Office software

Research and development costs

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

Leases

Group as a lessee

(a) Right-of-use assets

(b) Lease liabilities

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

Financial assets

Initial recognition and measurement

Subsequent measurement

Financial assets at amortised cost (debt instruments)

Derecognition of financial assets

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

Derecognition of financial assets *(CONTINUED)*

Impairment of financial assets

General approach

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

Inventories

Cash and cash equivalents

Provisions

Income tax

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

Income tax *(CONTINUED)*

Government grants

Revenue recognition

Revenue from contracts with customers

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

Revenue recognition *(CONTINUED)*

Revenue from contracts with customers *(CONTINUED)*

Sale of biopharmaceutical products

License

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

Revenue recognition *(CONTINUED)*

Research and development service *(CONTINUED)*

Revenue from other sources

Other income

Contract assets

Contract liabilities

Contract costs

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

Share-based payments

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

Other employee benefits

Pension scheme

Accommodation benefits

Borrowing costs

Foreign currencies

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

Foreign currencies *(CONTINUED)*

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

Judgements

Revenue from contracts with customers

(a) Identifying performance obligation under contracts which have bundled sales of the License and research and development services

(b) Determining the timing of satisfaction of the License

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES *(CONTINUED)*

Judgements *(CONTINUED)*

Revenue from contracts with customers *(CONTINUED)*

(c) Determining the timing of satisfaction of research and development services

(d) Determining the method to estimate variable consideration

Significant judgement in determining the lease term of contracts

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES *(CONTINUED)*

Estimation uncertainty

Provision for expected credit losses on receivables

Leases – Estimating the incremental borrowing rate

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES *(CONTINUED)*

Estimation uncertainty *(CONTINUED)*

Useful lives of property, plant and equipment

Useful lives of intangible assets

Impairment of non-financial assets (other than goodwill)

Deferred tax assets

Deferred development costs

4. OPERATING SEGMENT INFORMATION

Geographical information

(a) Revenue from external customers

	2021 RMB'000
	1,515,645
	109,541
	57,286
	–
	1,682,472

(b) Non-current assets

	2021 RMB'000
	5,430,594
	95,091
	5,525,685

4. OPERATING SEGMENT INFORMATION *(CONTINUED)*

Information about major customers

	2021 RMB'000
	534,538
	458,237
	992,775

5. REVENUE

	2021 RMB'000	
	1,682,472	
	–	
	1,682,472	

5. REVENUE *(CONTINUED)*

Revenue from contracts with customers *(CONTINUED)*

(b) Performance obligations

Sale of biopharmaceutical products

The License

Research and development services

	2021 RMB'000
	232,700
	804,982
	1,037,682

6. OTHER INCOME AND GAINS

	2021 RMB'000
	2,686
	41,896
	509
	45,091

7. LOSS BEFORE TAX

	2021 RMB'000	
	396,900	
	125,848	
	83,976	
	49,607	
	66,593	
	1,023,930	
	5,093	
	159	
	2,800	
	709,686	
	144,419	
	48,417	
	16,662	
	174	
	28,848	–
	7,566	
	191,271	–
	(2,686)	
	932	
	–	

8. FINANCE COSTS

	2021 RMB'000
	78,505
	16,649
	(10,334)
	84,820

9. DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVES' REMUNERATION

9. DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVES' REMUNERATION *(CONTINUED)*

(b) Executive directors, non-executive directors, supervisors and the chief executives

	Fees RMB'000	Salaries, allowances and benefits in kind RMB'000	Performance-related bonuses RMB'000	Pension scheme contributions RMB'000	Share award scheme RMB'000	Total remuneration RMB'000
2021						
	–	–	–	–	–	–
	–	–	–	–	–	–
	–	–	–	–	–	–
	–	–	–	–	–	–
	–	–	–	–	–	–
	–	–	–	–	–	–
	–	–	–	–	–	–
	–	–	–	–	–	–
	–	–	–	–	–	–
	–	–	–	–	–	–
	–	847	194	–	–	1,041
	–	847	194	–	–	1,041
	–	6,120	960	–	20,962	28,042
	–	6,120	960	–	20,962	28,042
	–	6,967	1,154	–	20,962	29,083

9. DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVES' REMUNERATION *(CONTINUED)*

(b) Executive directors, non-executive directors, supervisors and the chief executives *(CONTINUED)*

2020						
	–	–	–	–	–	–
	–	–	–	–	–	–
	–	–	–	–	–	–

9. DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVES' REMUNERATION *(CONTINUED)*

(b) Executive directors, non-executive directors, supervisors and the chief executives *(CONTINUED)*

10. FIVE HIGHEST PAID EMPLOYEES

	2021 RMB'000	
	11,277	
	3,767	
	–	–
	14,020	
	29,064	

10. FIVE HIGHEST PAID EMPLOYEES *(CONTINUED)*

	Number of employees	
	2021	
	RMB'000	
	–	–
	–	
	1	
	1	–
	1	–
	1	–
	4	

11. INCOME TAX

	2021	
	RMB'000	
	27,313	–
	27,313	–

11. INCOME TAX *(CONTINUED)*

	Chinese Mainland RMB'000	Other countries and regions RMB'000	Total RMB'000
	(846,780)	(109,959)	(956,739)
	(211,695)	(31,553)	(243,248)
	74,359	–	74,359
	27,313	–	27,313
	5,118	4	5,122
	(75,548)	–	(75,548)
	(69,523)	–	(69,523)
	277,289	31,549	308,838
	27,313	–	27,313

		–	
	–	–	–

12. DIVIDENDS

13. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

	2021 RMB'000
Loss	
	(984,052)

14. PROPERTY, PLANT AND EQUIPMENT

	Plant and machinery RMB'000	Motor vehicles RMB'000	Office and other equipment RMB'000	Electronic equipment RMB'000	Leasehold improvements RMB'000	Construction in progress RMB'000	Total RMB'000
31 December 2021							
	622,761	4,029	909	58,601	245,700	283,609	1,215,609
	(147,330)	(2,552)	(574)	(19,036)	(61,208)	–	(230,700)
	475,431	1,477	335	39,565	184,492	283,609	984,909
	475,431	1,477	335	39,565	184,492	283,609	984,909
	55,745	378	–	14,096	45,706	250,773	366,698
	(7,260)	(1,077)	(1)	(109)	(3,603)	–	(12,050)
	(68,580)	(187)	(100)	(10,948)	(29,837)	–	(109,652)
	124,000	–	–	2,438	8,259	(134,697)	–
	(47)	(7)	–	(473)	(493)	–	(1,020)
	579,289	584	234	44,569	204,524	399,685	1,228,885
	784,364	954	902	73,207	295,254	399,685	1,554,366
	(205,075)	(370)	(668)	(28,638)	(90,730)	–	(325,481)
	579,289	584	234	44,569	204,524	399,685	1,228,885

14. PROPERTY, PLANT AND EQUIPMENT *(CONTINUED)*

31 December 2020

								–	
								–	
								–	
		–		–		–		–	–
								–	
								–	

15. INTANGIBLE ASSETS

	Non-patent technologies RMB'000	Office software RMB'000	Deferred development costs RMB'000	Medicine license RMB'000	Total RMB'000
31 December 2021					
	48,921	22,448	1,468,760	1,402,325	2,942,454
	–	10,134	772,897	11,312	794,343
	–	–	(4,256)	–	(4,256)
	–	–	(28,848)	–	(28,848)
	–	–	(492,965)	492,965	–
	–	(3,617)	–	(65,141)	(68,758)
	–	(4)	–	–	(4)
	48,921	28,961	1,715,588	1,841,461	3,634,931
	48,921	37,844	1,744,436	1,955,950	3,787,151
	–	(8,883)	–	(114,489)	(123,372)
	–	–	(28,848)	–	(28,848)
	48,921	28,961	1,715,588	1,841,461	3,634,931
31 December 2020					
	–			–	
	–	–		–	
	–	–			–

15. INTANGIBLE ASSETS *(CONTINUED)*

Non-patent technologies

	31 December 2021
	16.00%
	5.00%

Deferred development costs

	31 December 2021
	16.00%-17.00%
	2.09%-3.73%

16. LEASES

The Group as a lessee

(a) Right-of-use assets

	Land RMB'000	Plant and machinery RMB'000	Total RMB'000
	205,303	246,976	452,279
	–	53,121	53,121
	(4,233)	(61,531)	(65,764)
	–	(1,435)	(1,435)
	201,070	237,131	438,201

	–
	–
	–

16. LEASES *(CONTINUED)*

The Group as a lessee *(CONTINUED)*

(b) Lease liabilities

	2021 RMB'000
	292,975
	53,121
	16,649
	–
	–
	(68,390)
	(1,605)
	292,750
	74,187
	218,563

(c) The amounts recognised in profit or loss in relation to leases are as follows:

	2021 RMB'000
	16,649
	49,607
	5,093
	–
	–
	71,349

(d) The total cash outflow for leases and future cash outflows relating to leases that have not yet commenced are disclosed in notes 32(c) and 34(b), respectively, to the financial statements.

17. OTHER NON-CURRENT ASSETS

	2021 RMB'000
	223,668

18. INVENTORIES

	2021 RMB'000
	229,984
	126,196
	72,686
	(8,754)
	420,112

19. TRADE RECEIVABLES

	2021 RMB'000
	301,201
	(5,460)
	295,741

19. TRADE RECEIVABLES *(CONTINUED)*

	2021 RMB'000
	295,741

	2021 RMB'000
	5,286
	174
	5,460

20. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2021 RMB'000
	55,537
	133,452
	–
	34,985
	223,974

21. CASH AND BANK BALANCES

	2021 RMB'000	
	1	
	707,332	
	707,333	
	(1,741)	–
	(550,610)	–
	(552,351)	–
	154,982	

	2021 RMB'000
	116,978
	580,571
	217
	7,297
	2,270
	707,333

22. TRADE PAYABLES

	2021 RMB'000
	383,470

	2021 RMB'000
	383,470
	–
	383,470

23. OTHER PAYABLES AND ACCRUALS

	2021

24. CONTRACT LIABILITIES

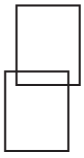
	2021 RMB'000
	–
	138,303
	138,303
	653,934
	653,934
	792,237

25. INTEREST-BEARING BANK AND OTHER BORROWINGS

	31 December 2021		
	Effective interest rate (%)	Maturity	RMB'000
Current			
	4.50-6.28	2022	74,187
	0.64-4.35	2022	1,350,845
	4.50	2022	36,165
	3.95-4.65	2022	107,635
	0.88	2022	1,842
			1,570,674
Non-current			
	4.50-6.28	2023-2029	218,563
	3.98-4.50	2023-2030	529,018
	4.05-4.65	2023-2024	304,682
	–	–	–
			1,052,263
			2,622,937

25. INTEREST-BEARING BANK AND OTHER BORROWINGS *(CONTINUED)*

	2021 RMB'000
Analysed into:	
	1,496,487
	254,416
	70,266
	509,018
	2,330,187
	74,187
	64,374
	107,690
	46,499
	292,750



26. OTHER LONG-TERM PAYABLES

	2021 RMB'000	
	54,425	–

27. DEFERRED TAX

	2021 RMB'000
	2,827,883
	2,420,577
	5,248,460

	2021 RMB'000
	313,419
	2,292,632
	221,832
	2,827,883

28. DEFERRED INCOME

	2021 RMB'000
	155,741

	2021 RMB'000
	94,895
	95,482
	(34,636)
	155,741

29. SHARE CAPITAL

Shares

	2021 RMB'000
	543,495

	Number of shares in issue
	543,494,853

30. RESERVES

31. SHARE AWARD SCHEME

2018 Share Award Scheme and Amendments to the 2018 Share Award Scheme

Type of eligible participants	% of conditional shares	Unlocking date	% of unlocked conditional shares

31. SHARE AWARD SCHEME *(CONTINUED)*

2018 Share Award Scheme and Amendments to the 2018 Share Award Scheme *(CONTINUED)*

	Number of shares
	2,160,700

31. SHARE AWARD SCHEME *(CONTINUED)*

2020 Share Award Scheme

Type of eligible participants	% of conditional shares	Unlocking date	% of unlocked conditional shares

Number of shares
–
1,148,280

31. SHARE AWARD SCHEME *(CONTINUED)*

2021 Share Award Scheme

Type of eligible participants	% of conditional shares	Unlocking date	% of unlocked conditional shares

	Number of shares
	–
	531,050
	(266,010)
	265,040

31. SHARE AWARD SCHEME *(CONTINUED)*

2021 Share Award Scheme *(CONTINUED)*

32. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Major non-cash transactions

(b) Changes in liabilities arising from financing activities:

	Bank and other borrowings RMB'000	Lease liabilities RMB'000	Interest payable included in other payables and accruals RMB'000
	1,540,642	292,975	672
	–	53,121	–
	800,055	(68,390)	(83,204)
	(8,393)	–	–
	(2,648)	(1,605)	–
	–	–	15,467
	531	16,649	67,640
	2,330,187	292,750	575
	–		–
	–		–
	–		–
			–

32. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS *(CONTINUED)*

(c) Total cash outflow for leases

	2021 RMB'000	
	5,093	
	842	–
	68,390	
	74,325	

33. PLEDGE OF ASSETS

34. COMMITMENTS

(a) The Group had the following capital commitments at the end of the reporting period:

	2021 RMB'000	
	463,067	

(b)

(c) Other Business Agreements

35. CONTINGENT LIABILITIES

36. RELATED PARTY TRANSACTIONS

(a) Name and relationships of the related parties

Name	Relationship with the Group
上海復星醫藥 集團 股份有限公司	
上海克隆生物高技術有限公司	
上海凱茂生物醫藥有限公司	
上海復星醫藥產業發展有限公司	
江蘇萬邦生化醫藥集團有限責任公司	
江蘇復星醫藥銷售有限公司	
上海新施華投資管理有限公司	
上海復得惠貿易有限公司	
上海伯豪醫學檢驗所有限公司	
上海老廟黃金有限公司	
上海一鏈企業管理有限公司	
上海老城隍廟食品銷售有限公司	
上海智洽信息科技服務有限公司	
北京高地物業管理有限公司	
上海星服企業管理諮詢有限公司	
酷怡國際旅行社 上海 有限公司	
海南復星商社貿易有限公司	
杭州東加商貿有限公司	
浙江復逸化妝品有限公司	
上海雲濟信息科技有限公司	

36. RELATED PARTY TRANSACTIONS *(CONTINUED)*

(a) Name and relationships of the related parties *(CONTINUED)*

Name	Relationship with the Group
上海星競企業管理諮詢有限公司	
國藥控股股份有限公司 及其子公司	
重慶醫藥 集團 股份有限公司 及其子公司	
永安財產保險股份有限公司	
復星聯合健康保險股份有限公司	

(b) Transactions with related parties

	2021 RMB'000
	10,398 981
	11,379
	– –
	–
	534,538 458,237 32,946
	1,025,721
	–

36. RELATED PARTY TRANSACTIONS *(CONTINUED)*

(b) Transactions with related parties *(CONTINUED)*

	2021 RMB'000	
	9,739	
	391	
	633	
	501	–
	424	
	339	
	246	–
	213	
	162	–
	123	
	–	
	–	
	–	
	–	
	–	
	206	
	12,977	
	3,097	
	–	
	31,233	
	–	
	–	
	–	

36. RELATED PARTY TRANSACTIONS *(CONTINUED)*

(b) Transactions with related parties *(CONTINUED)*

(c) Outstanding balances with related parties

	2021 RMB'000	
	88,720	
	52,281	
	10,189	
	151,190	
	13	
	–	
	4	
	17	
	1,297	
	–	
	–	
	1,297	
	9,935	
	3,526	
	2,572	–
	500	–
	246	–
	241	–
	199	–
	133	
	17,352	

36. RELATED PARTY TRANSACTIONS *(CONTINUED)*

(d) Compensation of key management personnel of the Group

	2021 RMB'000	
	996	
	28,567	
	7,549	
	–	–
	35,834	
	72,946	

37. FINANCIAL INSTRUMENTS BY CATEGORY

Financial assets at amortised cost

	2021 RMB'000
	295,741
	34,985
	707,333
	1,038,059

Financial liabilities at amortised cost

	2021 RMB'000
	383,470
	217,389
	2,622,937

38. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

	Carrying amounts 2021 RMB'000	Fair values 2021 RMB'000
Financial liabilities		
	833,700	812,958

38. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(CONTINUED)*

Fair value hierarchy

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Interest rate risk

	Increase/	Increase/

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(CONTINUED)*

Foreign currency risk

	Increase/ (decrease) in USD rate %	Increase/ (decrease) in equity RMB'000
	5	30,677
	(5)	(30,677)
	5	638
	(5)	(638)

Credit risk

Maximum exposure and year-end staging

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(CONTINUED)*

Credit risk *(CONTINUED)*

Maximum exposure and year-end staging *(CONTINUED)*

	12-month ECLs Stage 1 RMB'000	Lifetime ECLs Stage 2 RMB'000	Lifetime ECLs Stage 3 RMB'000	Simplified approach RMB'000	Total RMB'000
	–	–	–	301,201	301,201
	34,985	–	–	–	34,985
	552,351	–	–	–	552,351
	154,982	–	–	–	154,982

	–	–	–		
		–	–	–	
		–	–	–	

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(CONTINUED)*

Credit risk *(CONTINUED)*

Maximum exposure and year-end staging *(CONTINUED)*

Liquidity risk

	On demand or within one year RMB'000	One to five years RMB'000	Over five years RMB'000	Total RMB'000
	383,470	–	–	383,470
	217,389	–	–	217,389
	78,079	198,825	50,760	327,664
	1,521,333	351,773	681,691	2,554,797
	2,200,271	550,598	732,451	3,483,320

		–	–	
		–	–	

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(CONTINUED)*

Capital management

	2021 RMB'000
	2,622,937 154,982
	2,467,955
	2,296,756
	4,764,711
	52%

40. EVENTS AFTER THE REPORTING PERIOD

41. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	2021 RMB'000	
	199,440	
	2,878,981	
	1,524,838	
	56,670	
	3,178	
	4,663,107	
	65,145	
	901,711	
	593,503	
	1,560,359	
	305,178	
	479,965	
	77,988	
	708,243	
	1,571,374	
	(11,015)	
	4,652,092	
	241,758	
	27,871	–
	487,708	
	66,031	
	823,368	
	3,828,724	
	543,495	
	3,285,229	
	3,828,724	

41. STATEMENT OF FINANCIAL POSITION OF THE COMPANY *(CONTINUED)*

	Share premium RMB'000	Other reserve RMB'000	Accumulated losses RMB'000	Total RMB'000
	–	–		
			–	
	–		–	
	5,954,236	1,205	(1,627,502)	4,327,939
	–	–	(1,125,194)	(1,125,194)
	55,356	(26,362)	–	28,994
	–	53,490	–	53,490
	6,009,592	28,333	(2,752,696)	3,285,229

42. APPROVAL OF THE FINANCIAL STATEMENTS

安騰 廣州	生物技術有限公司
安騰瑞霖 上海	生物科技有限公司
安騰 上海	生物技術有限公司
《生物類似藥研發與評價技術指導原則 試行 》	
上海克隆	生物高技術有限公司

億勝生物科技有限公司	
復星控股有限公司	
復星國際控股有限公司	
上海復星高科技 集團 有限公司	
復星實業 香港 有限公司	
復星國際有限公司	
上海復星新藥研究有限公司	
上海復星醫藥 集團 股份有限公司	
上海復星醫藥產業發展有限公司	

	上海復宏漢霖生物製藥有限公司
	上海復宏漢霖生物醫藥有限公司

蘇州潤新生物科技有限公司

上海果運生物技術合夥

企業 有限合夥

國藥控股股份有限公司

國藥產業投資有限公司

DEFINITIONS