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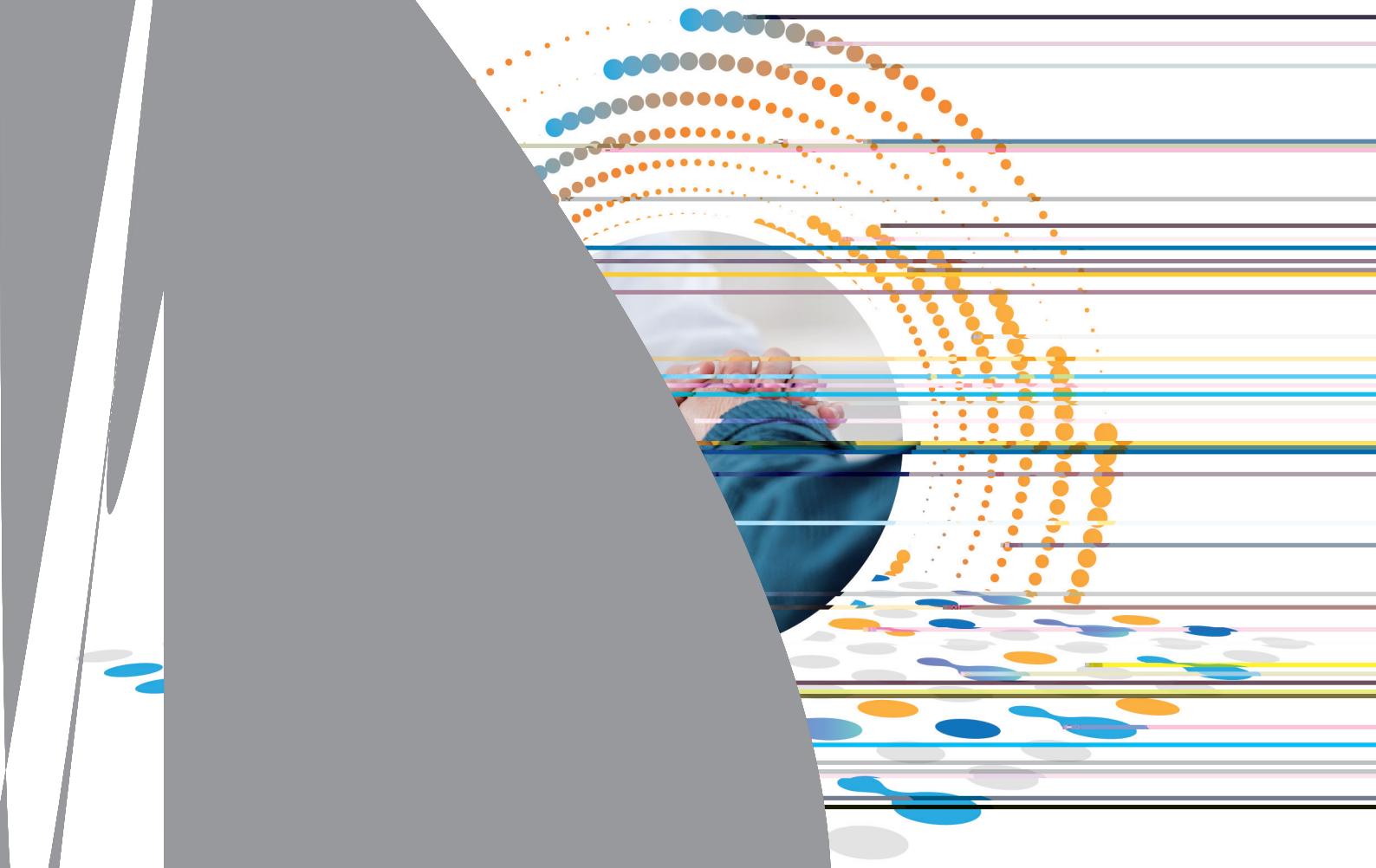
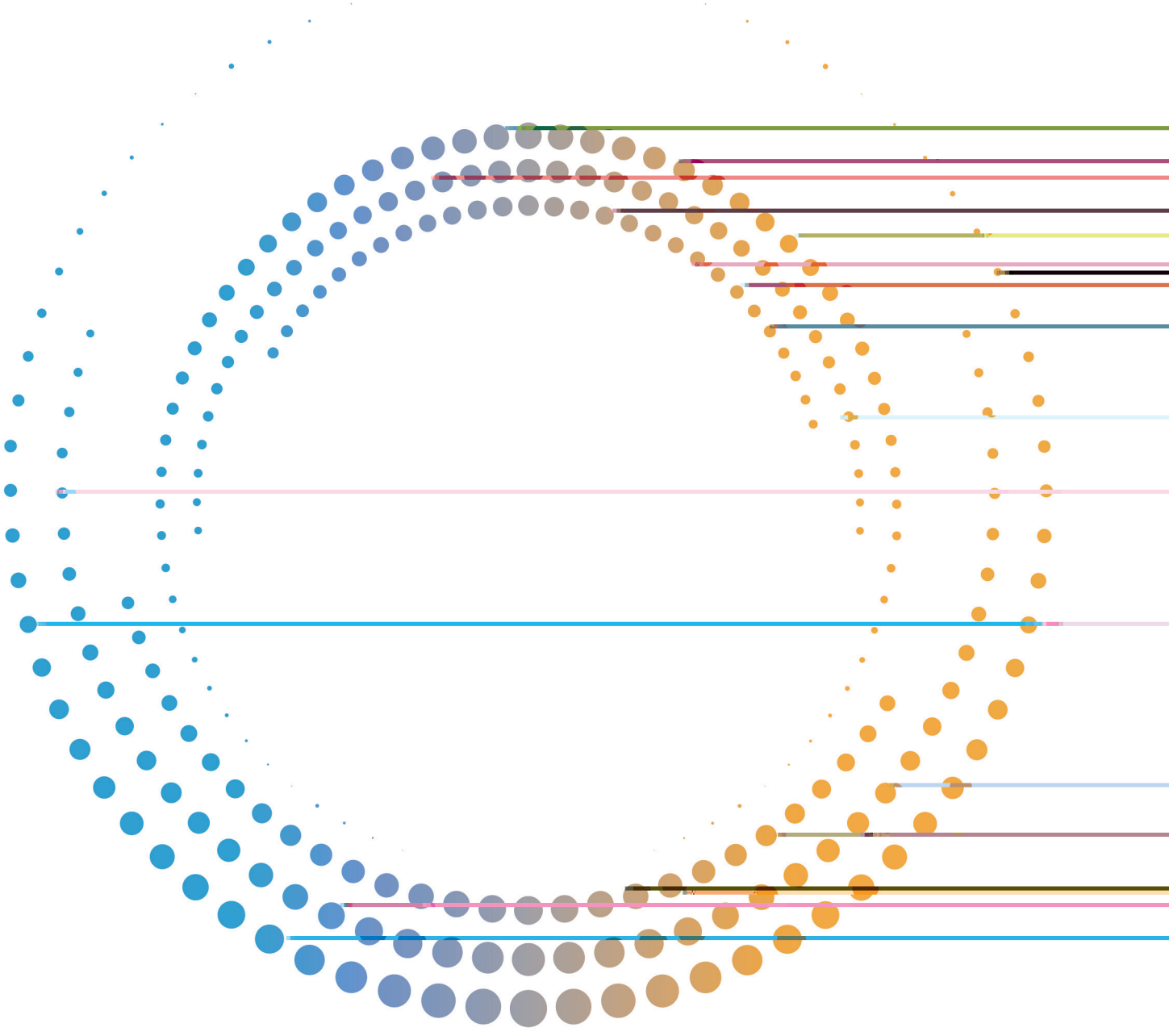
GHAI HENLIUS BIOTECH, INC.

宏宏漢霖生物技術股份有限公司

incorporated in the People's Republic of China with limited liability)





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Definitions

Lik Yuen Chan (陳力元) *(Chairman)*
Tak Young So (蘇德揚)
Ruilin Song (宋瑞霖)
Wenjie Zhang
Jun Zhu (朱俊)[2]
Zihou Yan (晏子厚)[4]

Yan Wang (王燕)
Mei Ha Wendy Kam (甘美霞) *(Fellow of the Hong Kong Chartered Governance Institute)*

Wenjie Zhang
Mei Ha Wendy Kam (甘美霞)

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188 Yizhou Road
Xuhui District
Shanghai
PRC[6]

Room 330, Complex Building
No. 222 Kangnan Road
China (Shanghai) Pilot Free Trade Zone
PRC

17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

Notes:

6. Took effect from 1 December 2023.

From the beginning of 2023 to date, the marketing authorisation applications of different specifications of HANQUYOU were approved in Cambodia, Singapore, Thailand, Philippines and Brazil, respectively.

In February 2023, the FDA has accepted the biologics license application (BLA) for trastuzumab for injection.

In July 2023, Health Canada accepted the New Drug Submission (NDS) for trastuzumab for injection.

In January 2023, the new drug application (NDA) of HANSIZHUANG in combination with carboplatin and etoposide for the first-line treatment of extensive-stage small cell lung cancer (ES-SCLC) was approved by the NMPA.

In September 2023, the new drug application (NDA) of HANSIZHUANG in combination with the drug containing fluorouracil and platinum for the first-line treatment of PD-L1 positive, unresectable locally advanced/recurrent or metastatic esophageal squamous cell carcinoma (ESCC) was approved by the NMPA.

In December 2023, the new drug application (NDA) of HANSIZHUANG in combination with chemotherapy for the first-line treatment of locally advanced or metastatic non-squamous non-small cell lung cancer (NSCLC) has been accepted by the NMPA.

In March 2023, the marketing authorisation application (MAA) of HANSIZHUANG in combination with chemotherapy for the first-line treatment of extensive-stage small cell lung cancer (ES-SCLC) has been validated by the EMA.

In December 2023, HANSIZHUANG was approved by the Indonesia's National Agency for Drug and Food Control (BPOM) for the treatment of extensive-stage small cell lung cancer (ES-SCLC) (local brand name: Zerpidio®).

HANSIZHUANG was recommended by 9 guidelines, including the 2023 Guidelines of CSCO for Small-Cell Lung Cancer (《CSCO小細胞肺癌診療指南》), Guidelines of CSCO for Non-small Cell Lung Cancer (《CSCO非小細胞肺癌診療指南》), Guidelines of CSCO for Esophageal Cancer《(CSCO食管癌診療指南》), Guidelines of CSCO for Colorectal Cancer (《CSCO結直腸癌診療指南》) and Guidelines of CSCO for Immune Checkpoint Inhibitor Clinical Practice (《CSCO免疫檢查點抑制劑臨床應用指南》).

OPERATION HIGHLIGHTS

MANAGEMENT DISCUSSION AND ANALYSIS

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

During the Reporting Period, the Group recognised other income and gains of approximately RMB68.9 million.

	2022 RMB'000
Government grants	69,043
Exchange gains	32,919
Interest income	3,571
Others	19
	105,552

	2022 RMB'000
R&D employee salaries	460,783
Outsourcing fees	296,959
Clinical trials	212,151
Reagents and consumables	134,850
Depreciation and amortisation	94,059
Consulting expense	51,430
Technology expense	45,288
Utilities expenses	19,161
Share-based compensation	1,446
Others	78,387
	1,394,514

Clinical trials	519,408
R&D employee salaries	153,850
Outsourcing fees	24,227
Depreciation and amortisation	23,890
Reagents and consumables	15,020
Consulting expense	3,263
Utilities expenses	1,380
Share-based compensation	707
Others	46,943
	788,688

REPORT OF THE BOARD OF DIRECTORS

REPORT OF THE BOARD OF DIRECTORS

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The Company recognises that its employees, customers and business partners are keys to its sustainability journey. The Company has been striving to achieve corporate sustainability through engaging its employees, providing quality services for its customers, collaborating with business partners and supporting communities.

The Company places significant emphasis on human resources. The Company provides a fair workplace, promoting non-discrimination and diversity to its staff, together with competitive remuneration and benefits, as well as a range of opportunities for career advancement based on employees' merits and performance. The Company provides regular trainings for staff to keep them abreast of the latest developments in the market and industry, by means of both internal trainings and trainings provided by experts from external organisations.

To enhance customer satisfaction and promote a customer-oriented culture within the Group, the Company takes "Customer First" as one of its core values. It values the feedback from customers and collects feedbacks through daily communication, regular meeting, etc. It has also established the mechanism about customer service, support and complaints. When dealing with a customer complaint, the Company treats it as an opportunity to improve its relationship with the customer, and solves it in a timely manner and in accordance with international standards.

The Company believes that its suppliers are equally important in driving quality delivery of its products. It proactively collaborates with its business partners (including suppliers and contractors) to deliver high-quality and sustainable products and services.

The financial statements of the Group have been audited by Ernst & Young.

A resolution to re-appoint Ernst & Young as the auditors of the Company will be proposed at the forthcoming annual general meeting.

On Behalf of the Board

Chairman
Hong Kong, 21 March 2024

REPORT OF THE BOARD OF SUPERVISORS

During the reporting period, in accordance with the Company Law, the Listing Rules and other relevant laws, regulations and the Articles of Association, the Rules of Procedures of the Board of Supervisors and relevant regulations, all members of the Board of Supervisors performed their supervisory functions, carefully and objectively considered the issues related to the finance and operation of the Company, and earnestly supervised the legality and compliance of Directors' and senior management's performance. They have fully developed the supervisory role, and played an active role in ensuring the implementation of resolutions passed on general meetings of the Company, and safeguarding the legitimate rights and interests of the Company and Shareholders as a whole.

During the reporting period, the third session of the Board of Supervisors of the Company held a total of 4 meetings, which reviewed the financial situation and other annual events for the year 2022 of the Group, and the financial position for the first quarter, the first half year and the third quarter of 2023 and other relevant matters.

1. Compliance with Laws in Operations

   The Board of Supervisors considers that, the Company can operate in strict accordance with the requirements of the Company Law, the Articles of Association, and other relevant requirements. The Company's decision-making procedures are legal and effective, and an internal control system is in place. No violations of laws, regulations, the Articles of Association or any detriment to the interests of the Company were found when the Directors and senior management of the Company performing their functions.

2. Financial Position

   The Board of Supervisors considers that the preparation and review procedures of the Company's financial reports are in compliance with the Company Law and the Articles of Association and other relevant provisions, and the financial report can authentically reflect the Group's operating conditions and financial position, with no significant omissions or false statements.

3. Internal Control

   The Board of Supervisors considers that, the Company has established an internal control system, which is in compliance with relevant requirements such as the Company Law and the Articles of Association. Regarding the investment management transaction disclosed by the Company on 31 March 2023, the Board of Supervisors will continue to monitor the relevant progress and the overall internal control situation of the Company, and safeguard the rights and interests of the Company and all the Shareholders. The Company established an Independent Investigation Committee on 19 April 2023 to conduct an independent investigation into the investment management incident. In this regard, the Independent Investigation Committee has engdeprequstigatio2

CORPORATE GOVERNANCE REPORT

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Lawrence K. W. Lau.

Certified Public Accountants
Hong Kong
21 March 2024

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs"), which comprise all standards and interpretations approved by the International Accounting Standards Board (the "IASB"), and International Accounting Standards ("IASs") and Standing Interpretations Committee interpretations approved by the International Accounting Standards Committee that remain in effect, and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention. These financial statements are presented in Renminbi ("RMB"), and all values are rounded to the nearest thousand except when otherwise indicated.

The Group had net current liabilities of RMB2,391,401,000 as at 31 December 2023. Having taken into account the unused banking facilities and the expected cash flows from operating, financing and investing activities, the Directors consider that it is appropriate to prepare the financial statements on a going concern basis.

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2023. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

(d) Amendments to IAS 12 *International Tax Reform – Pillar Two Model Rules* introduce a mandatory temporary exception from the recognition and disclosure of deferred taxes arising from the implementation of the Pillar Two model rules published by the Organisation for Economic Co-operation and Development. The amendments also introduce disclosure requirements for the affected entities to help users of the financial statements better understand the entities' exposure to Pillar Two income taxes, including the disclosure of current tax related to Pillar Two income taxes separately in the periods when Pillar Two legislation is effective and the disclosure of known or reasonably estimable information of their exposure to Pillar Two income taxes in periods in which the legislation is enacted or substantively enacted but not yet in effect. The Group has applied the amendments retrospectively. Since the major entities comprising the Group are operating in jurisdictions in which the Pillar Two tax law has not yet been enacted, the amendments did not have any significant impact to the Group. The Group will disclose known or reasonably estimable information related to its exposure to Pillar Two income taxes in the consolidated financial statements by the time when the Pillar Two tax law has been enacted or substantively enacted and will disclose separately the current tax expense or income related to Pillar Two income taxes when it is in effect.

The Group has not applied the following revised IFRSs, that have been issued but are not yet effective, in these financial statements. The Group intends to apply these revised IFRSs, if applicable, when they become effective.

Amendments to IFRS 10 and IAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[3]
Amendments to IFRS 16	*Lease Liability in a Sale and Leaseback*[1]
Amendments to IAS 1	*Classification of Liabilities as Current or Non-current* (the "2020 Amendments")[1]
Amendments to IAS 1	*Non-current Liabilities with Covenants* (the "2022 Amendments")[1]
Amendments to IAS 7 and IFRS 7	*Supplier Finance Arrangements*[1]
Amendments to IAS 21	*Lack of Exchangeability*[2]

1 Effective for annual periods beginning on or after 1 January 2024

2 Effective for annual periods beginning on or after 1 January 2025

3 No mandatory effective date yet determined but available for adoption

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the statement of profit or loss in the period in which it arises unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

A party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and that person

  (i) has control or joint control over the Group;

  (ii) has significant influence over the Group; or

  (iii) is a member of the key management personnel of the Group or of a parent of the Group;

  or

(b) the party is an entity where any of the following conditions applies:

  (i) the entity and the Group are members of the same group;

  (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

  (iii) the entity and the Group are joint ventures of the same third party;

  (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

  (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;

  (vi) the entity is controlled or jointly controlled by a person identified in (a);

  (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and

  (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the statement of profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Buildings	2%
Plant and machinery	9.5% to 19%
Motor vehicles	19%
Office and other equipment	9.5% to 19%
Electronic equipment	9.5% to 19%
Leasehold improvements	10% to 20%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress is stated at cost less any impairment losses, and is not depreciated. It is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for on a prospective basis.

The employees are required to participate in a defined central pension scheme managed by the local municipal government of the areas in the PRC. The PRC companies are required to contribute a certain percentage of the relevant part of the payroll of these employees to the central pension scheme. The Group has no obligation for the payment of retirement benefits beyond the annual contributions. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme.

According to the relevant PRC rules and regulations, the PRC companies now comprising the Group and their employees are each required to make contributions which are in proportion to the salaries and wages of the employees to an accommodation fund administered by the government agencies in the PRC. There is no further obligation on the part of the Group except for such contributions to the accommodation fund. Contributions to an accommodation fund administrated by government agencies are charged to the consolidated statement of profit or loss as and when they are incurred.

Borrowing costs directly attributable to the acquisition, construction, or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting.

Proposed final dividends are disclosed in the notes to the financial statements. Interim dividends are simultaneously proposed and declared, because the Company's memorandum and articles of association grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

These financial statements are presented in RMB, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

In determining the exchange rate on initial recognition of the related asset, expense, or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

The functional currencies of certain overseas subsidiaries are currencies other than the RMB. As at the end of the reporting period, the assets and liabilities of these entities are translated into RMB at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss are translated into RMB at the exchange rates that approximate to those prevailing at the dates of the transactions.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve, except to the extent that the differences are attributable to non-controlling interests. On disposal of a foreign operation, the cumulative amount in the reserve relating to that particular foreign operation is recognised in the statement of profit or loss.

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

The Group applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

The Group have certain contracts which provide the License together with research and development service to a customer. The Group determined that both the License and research and development services are capable of being distinct. The Group also determined that the promises to transfer the License and provide research and development services are distinct within the context of the contract. The Group is not providing a significant integration service because the presence of the License and research and development services together in the contract does not result in any additional or combined functionality and neither the License nor the research and development modifies or customises the other. In addition, the License and research and development services are not highly interdependent or highly interrelated, because the Group would be able to transfer the License even if the customer declined research and development service and would be able to provide research and development service if other distributors have such request. Consequently, the Group has allocated a portion of the transaction price to the License and the research and development services based on relative stand-alone selling prices.

The Group concluded that for the License which would be significantly affected by the activities undertaken by the Group, such as being the exclusive supplier of certain biopharmaceutical products related to the License, the customers get a right to access the License, the revenue is recognised overtime during the expected commercialisation period of the related biopharmaceutical products. The Group determined that the output method is the best method in measuring the progress of the License because there is a relationship between the Group's output and the transfer of the License to the customers. The Group recognises revenue on the basis of the output happened relative to the total expected output during the expected commercialisation period.

For the License which the customer gets a right to use the License, revenue for the License is recognised at the point of time when the control of the License is transferred to the customer and the customer is able to consume and benefit from the License.

The Group concluded that in some contracts, revenue for research and development services is to be recognised over time because the customer simultaneously receives and consumes the benefits provided by the Group. The fact that another entity would not need to re-perform the research and development services that the Group has provided to date demonstrates that the customer simultaneously receives and consumes the benefits of the Group's performance as it performs.

The Group determined that the input method is the best method in measuring the progress of the research and development services because there is a direct relationship between the Group's effort (i.e., actual cost incurred) and the transfer of services to the customer. The Group recognises revenue on the basis of the cost expended relative to the total expected cost to complete the services.

The Group also concluded that in some other contracts, revenue for research and development services is to be recognised at a point of time, because the customers cannot control the service or consume the benefit and have no enforceable obligation to pay for the service provided to date.

Certain contracts include variable consideration based on the future events. In estimating the variable consideration, the Group is required to use either the expected value method or the most likely amount method based on which method better predicts the amount of consideration to which it will be entitled.

Given that the payments of certain variable consideration are not within the control of the Group, such as regulatory approvals, relevant consideration is not considered until relevant approvals are obtained. The Group determines that the most likely amount method is the appropriate method to estimate the variable consideration. When it is highly probable that the income corresponding to the relevant consideration will not be significantly reversed, the uncertainty of the variable consideration is eliminated and the variable consideration will be included in the transaction price. At the end of each reporting period, the Group will re-evaluate the probability of the payment of the variable consideration, and if necessary, adjust the estimation of the overall transaction price.

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by a highly possible renewal action which is reasonably certain to be exercised.

Based on the terms of the contracts, the performance obligation is generally satisfied over time as services are rendered or at the point in time as the services are completed and accepted and payment is billed based on the milestone achieved.

The amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December are as follows:

	2022 RMB'000
Amounts expected to be recognised as revenue:	
Within one year	469,966
After one year	726,156
	1,196,122

The remaining performance obligations expected to be recognised after one year mainly relate to the transaction prices allocated to the License and research and development services. The revenue from the License is expected to be recognised during the future estimated commercialisation period. The revenue from research and development services is expected to be recognised during the period in which the services are being rendered. The amounts disclosed above do not include variable consideration.

	2022 RMB'000
Interest income	3,571
Exchange gains	32,919
Government grants	69,043
Others	19
Total other income and gains	105,552

An analysis of finance costs is as follows:

	2022 RMB'000
Interest expense on bank and other borrowings	

	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
Executive director						
Mr. Wenjie Zhang	–	–	–	–	–	–
Subtotal	–	–	–	–	–	–
Non-executive directors						
Mr. Qiyu Chen	–	–	–	–	–	–
Mr. Yifang Wu	–	–	–	–	–	–
Dr. Aimin Hui(1)	–	–	–	–	–	–
Ms. Xiaohui Guan	–	–	–	–	–	–
Mr. Zihou Yan	–	–	–	–	–	–
Mr. Deyong Wen(2)	–	–	–	–	–	–
Subtotal	–	–	–	–	–	–
Supervisors						
Ms. Rongli Feng	–	–	–	–	–	–
Mr. Deli Kong	–	–	–	–	–	–
Ms. Junhong Liu(3)	–	1,176	420	–	–	1,596
Subtotal	–	1,176	420	–	–	1,596
Chief executive	–					
Mr. Wenjie Zhang	–	8,778	960	–	5,083	14,821
Subtotal	–	8,778	960	–	5,083	14,821
Total	–	9,954	1,380	–	5,083	16,417

(1) Dr. Aimin Hui resigned as a non-executive director of the Company in July 2022.

(2) Mr. Deyong Wen ("Mr. Wen") was appointed as a non-executive director in July 2022.

(3) Ms. Junhong Liu resigned as a supervisor on 31 December 2022.

The provision for Chinese Mainland current income tax is based on the statutory rate of 25% (2022: 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 certain group entities in Chinese Mainland, which are 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 Henlius USA incorporated in the United State and Henlius Industrial incorporated in Hong Kong in the year of 2023, is based on the statutory rates of 29.84% and 8.25%, respectively (2022: 29.84%, 8.25% respectively).

	2022 RMB'000
Current – Mainland China	1,372
Total tax charged for the year	1,372

A reconciliation of the tax expense applicable to loss before tax at the statutory rates for the jurisdictions in which the Company and the majority of 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:

Year ended 31 December 2023

Profit/(Loss) before tax	
Tax at the statutory tax rate	
Lower tax rate for a specific entity	–
Withholding income tax paid	–
Expenses not deductible for tax	–
Additional deductible allowance for R&D expenses	–
Utilisation of the unrecognised tax losses	–
Deductible temporary differences and tax losses not recognised	
Tax charge at the effective rate	–

	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
At 1 January 2022:							
Cost	784,364	954	902	73,207	295,254	399,685	1,554,366
Accumulated depreciation	(205,075)	(370)	(668)	(28,638)	(90,730)	–	(325,481)
Net carrying amount	579,289	584	234	44,569	204,524	399,685	1,228,885
At 1 January 2022, net of accumulated depreciation	579,289	584	234	44,569	204,524	399,685	1,228,885
Additions	45,116	–	–	29,142	13,754	624,228	712,240
Disposals	(290)	–	(4)	(539)	–	–	(833)
Depreciation provided during the year	(79,530)	(126)	(73)	(14,202)	(32,660)	–	(126,591)
Transfers	21,395	–	–	–	–	(21,395)	–
Exchange rate fluctuation	–	–	–	2,031	1,717	–	3,748
At 31 December 2022, net of accumulated depreciation	565,980	458	157	61,001	187,335	1,002,518	1,817,449
At 31 December 2022:							
Cost	850,063	954	829	104,530	311,051	1,002,518	2,269,945
Accumulated depreciation	(284,083)	(496)	(672)	(43,529)	(123,716)	–	(452,496)
Net carrying amount	565,980	458	157	61,001	187,335	1,002,518	1,817,449

As at 31 December 2023, the carrying amounts of property, plant and equipment of the Group included capitalised interest of approximately RMB75,086,000 (31 December 2022: RMB38,102,000). During this year, the construction of Songjiang Second Plant's phase I project was completed and transferred to buildings with amounts of RMB629,256,000.

The recoverable amounts of the non-patent technologies were determined based on the fair value less costs of disposal, and the fair values of non-patent technologies were determined using the relief from the royalty method taking into account the nature of the asset, using cash flow projections based on financial budget approved by the management, and the growth rate used to extrapolate the cash flows beyond the financial budget period is 2.2% (2022: 2.3%), which is close to the long-term inflation rate. The fair value measurement hierarchy of the non-patent technologies was level 3. Other key assumptions to the valuation model used are listed as follows:

	31 December 2022
Discount rates	16.00%
Royalty rates	5.00%

Discount rates – The discount rates used reflect specific risks relating to non-patent technologies.

Royalty rates – The basis used to determine the value assigned to royalty rates is the royalty rate of the market where non-patent technologies are located, taking into account the profitability of the Group and other qualitative factors.

The recoverable amounts of the deferred development costs were determined based on the fair value less costs of disposal, and the fair value of the deferred development costs was determined using the multi-period excess earnings method taking into account the nature of the assets, using cash flow projections based on financial budget approved by the management, covering the economic life of corresponding biopharmaceutical products.

The fair value measurement hierarchy of the remaining deferred development costs was level 3. Other key assumptions to the valuation model used are listed as follows:

	31 December 2022
Discount rates	16.00%-17.00%
Contributory asset charges	2.83%-4.57%

Discount rates – The discount rates used reflect specific risks relating to deferred development costs.

Contributory asset charges – The basis used to determine the value assigned to contributory asset charges is the return of revenue ("ROR") of the contributory assets, the ROR was determined according to the borrowing rate and cost of equity, and the contributory assets mainly included working capital, tangible assets and assembled workforce.

With regard to the assessment of fair value, management believes that no reasonably possible changes in any of the key assumptions would cause the recoverable amounts of non-patent technologies and deferred development costs to be materially lower than their carrying amounts.

An ageing analysis of the trade receivables as at the end of ea9ea -0.315 0.255 -0. 0.a-0.231 0.836 0 c]0.836 068436 068430 -0.44852

	Note		2022 RMB'000
Repurchase obligation of restricted shares under share award scheme (note 32)		–	7,306
Other payables	(i)		575,610
Payroll and welfare payables			454,523
Accruals			378,206
Other current liabilities			7,022
Other taxes payables			20,784
Total			1,443,451

Note:

(i) Other payables mainly represent the payables related to the purchase of property, plant and equipment, the deposits received and refundable prepayment in advance.

	2022 RMB'000
Short-term advances received from customers	
Sales of goods	70,170
License and research and development services	252,250
Subtotal	322,420
Long-term advances received from customers	
License and research and development services	645,594
Subtotal	645,594
Total	968,014

	2022 RMB'000
Payables relating to the license out contract (Note)	235,849
Payroll and welfare payables	39,492
Other taxes payables	17,029
Total	292,370

Note: On 17 November 2022, the Company entered into a license agreement with Fosun Pharma Industrial Development, a fellow subsidiary of the Company, to grant Fosun Pharmaceutical Industrial Development an exclusive license to commercialise HANSIZHUANG in the United States (including its territories and possessions) for the treatment indication of Extensive Stage Small-Cell Lung Cancer (ES-SCLC) and any other indication (other than ES-SCLC) as mutually agreed between the Company and Shanghai Fosun Pharmaceutical Industrial Development Co., Ltd. in human. The contract was approved by the extraordinary general meeting on 27 December 2022. On 9 August 2023, the Company entered into an amendment agreement with Fosun Pharma Industrial Development, and the amendment agreement was approved by the extraordinary general meeting on 28 August 2023. As at 31 December 2023, the Company received a total upfront payment of RMB800,000,000 from Fosun Pharma Industrial Development relating to this license agreement, among which RMB250,000,000 was received in the year of 2022. An amount of RMB125,786,000 was recognised as other long-term payable based on the contract term.

The movements in deferred tax liabilities and assets during the year are as follows:

At 31 December 2022	—
Effect of adoption of amendments to IAS 12	27,411
At 1 January 2023 (restated)	27,411
Deferred tax charged to the statement of profit or loss during the year (restated) (note 11)	3,094
Gross deferred tax liabilities at 31 December 2023	

At 31 December 2022	—
Effect of adoption of amendments to IAS 12	27,411
At 1 January 2023 (restated)	27,411
Deferred tax credited to the statement of profit or loss during the year (restated) (note 11)	3,094
Gross deferred tax assets at 31 December 2023	

The unused tax losses expire as follows:

	2022 RMB'000
Less than five years	653,625
Beyond five years	2,978,591
Without limitation	287,429
Total	3,919,645

	2022 RMB'000
Government grants	193,494

Various government grants have been received from local government authorities for setting up research and development activities. Some government grants received that did not meet the fulfilled conditions were included in deferred income. These grants are recognised as income over the periods necessary to match the grants on a systematic basis to the costs that they are intended to compensate. The movements in government grants of the Group during the reporting period are as follows:

	2022 RMB'000
At the beginning of the year	155,741
Received during the year	50,140
Recognised as income during the year	(12,387)
At the end of the year	193,494

	2022 RMB'000
Issue and fully paid: 543,494,853 (2022: 543,494,853) ordinary shares	543,495

A summary of movements in the Company's share capital is as follows:

	Share capital RMB'000
At 1 January 2022, 31 December 2022 and 31 December 2023	543,495

The amounts of the Group's reserves and the movements therein for the year are presented in the consolidated statement of changes in equity of the Group.

The aggregate fair value of the shares granted amounted to approximately RMB307,125,000 (RMB13.50 per share), and the fair value is determined by an external valuer using the discounted cash flow model taking into account the terms and conditions upon which the restricted shares were granted.

The following table lists the inputs to the valuation model used:

Discount rates (%)	16.14%
Long-term growth rate (%)	3.00%

Discount rates – The discount rates used are before tax and reflect specific risks relating to the relevant units.

Long-term growth rate – The basis used to determine the value assigned to the long-term growth rate is the forecast price indices during the budget year from where the biopharmaceuticals are located.

During the year of 2020, in view of the business development of the Group and to provide an effective and sound incentive mechanism with reference to market practices, the Directors proposed to amend the terms of the 2018 Share Award Scheme ("Amendments to the 2018 Share Award Scheme") which was approved by the Directors on 17 November 2020.

Pursuant to the Amendments to the 2018 Share Award Scheme, upon the resignation of the participants, the transfer restrictions of a certain percentage of the shares awarded under the 2018 Share Award Scheme will be released, if the participants have fulfilled the service period conditions and certain performance conditions.

The following restricted shares were outstanding under the 2018 Share Award Scheme and Amendments to the 2018 Share Award Scheme during the year:

At 1 January 2022	2,160,700
Vested during the year	(2,080,900)
At 31 December 2022 and 1 January 2023	79,800
Vested during the year	(79,800)
At 31 December 2023	–

During the year, the Group had non-cash additions to right-of-use assets and lease liabilities of RMB94,449,000 (2022: RMB48,377,000) and RMB94,102,000 (2022: RMB48,377,000), respectively, and non-cash disposals to right-of-use assets and lease liabilities of RMB5,421,000 (2022: Nil) and RMB5,876,000 (2022: Nil),respectively, in respect of lease arrangements for plant and machinery.

2023			
At 1 January 2023			
New leases	–		–
Disposal	–		–
Changes from financing cash flows			
Foreign exchange movement			–
Interest capitalised	–	–	
Interest expense			
At 31 December 2023			
2022			
At 1 January 2022	2,330,187	292,750	575
New leases	–	48,377	–
Changes from financing cash flows	1,073,563	(100,795)	(114,752)
Foreign exchange movement	12,148	5,850	–
Interest capitalised	–	–	25,124
Interest expense	105	14,910	90,657
At 31 December 2022	3,416,003	261,092	1,604

The Directors are of the view that the following companies are related parties that have material transactions or balances with the Group during the year.

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
Jiangsu Wanbang Pharmaceutical Limited Company* (“江蘇萬邦生化醫藥集團有限責任公司”) (“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
Fosun Pharma USA Inc (“Fosun USA”)	Fellow subsidiary
Shanghai Bohao Laboratory Co., Ltd.* (“上海伯豪醫學檢驗所有限公司”) (“Shanghai Bohao”)	Fellow subsidiary
Shanghai Old Temple Gold Co., Ltd.* (“上海老廟黃金有限公司”) (“Old Temple Gold”)	Fellow subsidiary
Suzhou Otovia Therapeutics Biotechnology Co., Ltd.* (“蘇州星奧拓維生物技術有限公司”) (“Suzhou Otovia Therapeutics”)	Fellow subsidiary
Zhejiang Xinghao Pengbo Pharmaceutical Co., Ltd.* (“浙江星浩澎博醫藥有限公司”) (“Zhejiang Xinghao Pengbo”)	Fellow subsidiary
Fosun Health Technology (Jiangsu) Co., Ltd.* (“復星健康科技(江蘇)有限公司”) (“Fosun Health”)	Fellow subsidiary
Fosun Diagnostics (Shanghai) Co., Ltd.* (“復星診斷科技(上海)有限公司”) (“Fosun Diagnostics”)	Fellow subsidiary
Shanghai Fukun Pharmaceutical Technology Development Co., Ltd.* (“上海複坤醫藥科技發展有限公司”) (“Shanghai Fukun”)	Fellow subsidiary
Shanghai Xingfu Enterprise Management Consulting Co., Ltd.* (“上海星服企業管理諮詢有限公司”) (“Shanghai Xingfu”)	Fellow subsidiary
Hainan Fosun Trade Co., Ltd.* (“海南復星商社貿易有限公司”) (“Fosun Trade”)	Fellow subsidiary
Shanghai Yunji Information Technology Co., Ltd.* (“上海雲濟信息科技有限公司”) (“Shanghai Yunji”)	Fellow subsidiary
Shanghai Yimi Information Technology Co., Ltd. (“上海醫米信息技術有限公司”) (“Shanghai Yimi”)	Significant influenced by the ultimate controlling shareholder
Shanghai Club Med Travel Service Co., Ltd.* (“上海客美德假期旅行社有限公司”) (“Shanghai Club Med”)	Fellow subsidiary
Shanghai Zilamai Trading Co., Ltd. * (“上海滋叻美貿易有限公司”) (“Shanghai Zilamai”)	Fellow subsidiary

	Notes		2022 RMB'000
Services purchased from related parties			
Jiangsu Fosun	(iv),(v)		19,227
Shanghai Yunji	(iv),(v)		901
Shanghai Golte Property	(iv),(v)		–
Old Temple Gold	(iv),(v)		–
Fosun Pharma	(iv),(v)		17
Fosun Health	(iv),(v)		753
Kai Mao Bio-pharma	(iv)		498
Clone High Tech	(iv)		201
Shanghai Xingfu	(iv)		229
Fosun Diagnostics	(iv),(v)		659
Sinopharm	(iv),(v)		314
Shanghai Bohao	(iv)		575
Shanghai Club Med	(iv)		97
Shanghai Zilamai	(iv),(v)		88
Others	(iv),(v)		563
			24,122
Purchases of materials from			
Sinopharm	(iv),(v)		2,041
Purchases of right-of-use assets from			
Clone High Tech	(iv),(v)		14,857
Shanghai Fukun	(iv),(v)		16,640
Chengdu Forte	(iv),(v)		–
			31,497
Purchases of fixed assets from			
Shanghai Yunji	(iv)		2,549
Sinopharm	(iv)	–	4,385
			6,934
Purchases of intangible assets from			
Shanghai Yunji	(iv)		75
Fosun Pharma	(iv)	–	1,811
			1,886
Deposits in related parties			
Shanghai Fosun Finance	(v),(vi)		–
Interest income			
Shanghai Fosun Finance	(vi)		–

	Notes		2022 RMB'000
Prepayments, other receivables and other assets			
Clone High Tech	(ii)		–
Shanghai Fukun	(ii)		1,125
Fosun Pharma	(ii)		–
Fosun Diagnostics	(ii)	–	90
Sinopharm	(ii)	–	21
Others	(ii)		–
			1,236
Other non-current assets			
Fosun Trade	(ii)		–
Shanghai Yunji	(ii)	–	115
			115
Amounts due to related parties			
Trade payables			
Kai Mao Bio-pharma	(iii)		–
Sinopharm	(iii)		380
Zhejiang Xinghao Pengbo	(iii)	–	49
			429
Other payables, accruals and other current liabilities			
Jiangsu Fosun	(iv)		16,889
Clone High Tech	(iv)		1,969
Shanghai Yunji	(iv)		753
Shanghai Golte Property	(iv)		–
Fosun Trade	(iv)		–
Shanghai Xingfu	(iv)		229
Shanghai Fukun	(iv)		–
Fosun Pharma	(iv)	–	3,526
Sinopharm	(iv)	–	969
Shanghai Yimi	(iv)	–	875
Shanghai Bohao	(iv)	–	578
Fosun Health	(iv)	–	173
Kai Mao Bio-pharma	(iv)	–	49
Others	(iv)		154

As at 31 December 2022

Interest-bearing bank and other borrowings (non-current portion) (other than lease liabilities)	—	965,952	—	965,952

The Group's principal financial instruments mainly include cash and bank balances, 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 receivables and trade payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The Directors review and agree policies for managing each of these risks and they are summarised below.

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long term debt obligations with a floating interest rate.

The Group's policy is to manage its interest cost using a mix of fixed and variable rate debts. The Group does not use derivative financial instruments to hedge its interest rate risk. At 31 December 2023, approximately 60% (2022: 64%) of the Group's interest-bearing bank and other borrowings bore interest at fixed rates.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's profit before tax (through the impact on floating rate borrowings) and the Group's equity.

Year ended 31 December 2023		
RMB	25	(3,067)
RMB	(25)	3,067
Year ended 31 December 2022		
RMB	25	(3,067)
RMB	(25)	3,067

As at 31 December 2023

Trade receivables*	–	–	–		
Contract assets*	–	–	–		
Financial assets included in prepayments, deposits and other receivables					
– Normal**		–	–	–	
– Doubtful**	–	–		–	
Other non-current assets		–	–	–	
Cash and bank balance					
– Not yet past due		–	–	–	

As at 31 December 2022

	12-month ECLs	Lifetime ECLs			
	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000	Simplified approach RMB'000	Total RMB'000
Trade receivables*	–	–	–	462,607	462,607
Financial assets included in prepayments, deposits and other receivables					
– Normal**	31,395	–	–	–	31,395
– Doubtful**	–	–	601,470	–	601,470
Cash and bank balance					
– Not yet past due	680,476	–	–	–	680,476

* For trade receivables and contract assets to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in note 19 to the financial statements.

** The credit quality of the financial assets included in prepayments, other receivables and other assets is considered to be "normal" when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be "doubtful".

Further quantitative data in respect of the Group's exposure to credit risk arising from trade receivables are disclosed in note 19 to the financial statements.

At the end of the reporting period, the Group had certain concentrations of credit risk as 8% (2022: 17%) and 21% (2022: 47%) of the Group's trade receivables were due from the Group's largest customer and five largest customers, respectively.

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payments to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2023 and 31 December 2022.

The Group monitors capital using a gearing ratio, which is net debt divided by the adjusted capital plus net debt. Net debt includes interest-bearing bank and other borrowings less cash and cash equivalents. Capital includes equity attributable to owners of the parent. The gearing ratios as at the end of the reporting periods were as follows:

	2022 RMB'000
Interest-bearing bank and other borrowings (note 26)	3,677,095
Less: Cash and cash equivalents	673,476
Net debt	3,003,619
Equity attributable to owners of the parent	1,636,332
Capital and net debt	4,639,951
Gearing ratio	65%

As at the date of approval of these financial statements, there have been no significant events after the end of the reporting period.

As further explained in note 20 to the financial statements, certain amounts have been reclassified which include i) in the consolidated statement of financial position as at 31 December 2022, the financial assets at fair value through profit or loss amounting to RMB160,186,000 as at 31 December 2022 were reclassified to prepayments, deposits and other receivables, representing an amount due from AMTD amounting to RMB601,470,000, net of impairment allowance for the expected credit loss in connection with due from AMTD amounting to RMB441,284,000; ii) in the consolidated statement of profit and loss for the year ended 31 December 2022, a loss on fair value adjustment of financial assets at fair value through profit or loss of RMB199,153,000 recorded in other expenses were reclassified to impairment losses on financial assets; and iii) in the consolidated statement of cash flow for the year ended 31 December 2022, "Changes in restricted cash for investments" amounting to RMB550,610,000 and "Purchase of investment measured at fair value through profit or loss" amounting to RMB550,610,000 were eliminated.

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

"2018 Share Award Scheme"	the share award scheme adopted pursuant to the original operating procedure of the employee equity incentive scheme signed in April 2018
"2020 Share Award Scheme"	the share award scheme proposed to be adopted pursuant to the operating procedure of the 2020 employee equity incentive scheme
"A Share(s)"	RMB ordinary share(s) proposed to be issued by the Company pursuant to the A Share Offering
"A Share Offering"	the Company's proposed initial public offering of A Shares, which are proposed to be listed on the Science and Technology Innovation Board of Shanghai Stock Exchange
"A Share Offering and Listing"	the Company's proposed initial public offering of A Shares, and the listing of such Shares on the Science and Technology Innovation Board of Shanghai Stock Exchange
"Accord"	Accord Healthcare Limited
"AMTD"or "Investment Manager"	AMTD Global Markets Limited (now renamed as orientiert XYZ Securities Limited)
"Articles of Association"	the articles of association of the Company
"Aton Ruilin"	Aton (Shanghai) Biotech Co., Ltd.* (安騰瑞霖(上海)生物科技有限公司), a wholly-owned subsidiary of the Company
"Baodao Pharmaceutical"	Baodao Pharmaceutical Co., Ltd.
"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
"CG Code"	Corporate Governance Code contained in Appendix C1 to the Listing Rules
"Clinical Trial Research Services Agreement"	the Clinical Trial Research Services Agreement dated 24 November 2022 entered into among the Company, Genuine Biotech and Fosun Pharma Industrial Development
"Clone High Tech"	Shanghai Clone High Technology Co., Ltd.* (上海克隆生物高技術有限公司), a limited liability company incorporated under the laws of the PRC and a wholly-owned subsidiary of Fosun Pharma
"Clone Property Leasing Framework Agreement"	the property leasing framework agreement dated 17 November 2022 entered into between the Company and Clone High Tech in relation to the leasing of the premises

"Hong Kong Stock Exchange" or the "Stock Exchange"	The Stock Exchange of Hong Kong Limited
"IFRSs"	International Financial Reporting Standards
"IMA"	the investment management agreement dated on 25 September 2019 entered into between the Company and AMTD
"IND"	investigational new drug or investigational new drug application, also known as clinical trial application in China
"Intas"	Intas Pharmaceuticals Limited, founded in 1976 and headquartered in India
"Jiangsu Fosun"	Jiangsu Fosun Pharmaceutical Sales Co., Ltd., a company incorporated in the PRC with limited liability, and a wholly owned subsidiary of Fosun Pharma
"Jiangsu Wanbang"	Jiangsu Wanbang (Group) Biopharmaceutical Co., Ltd., a company incorporated in the PRC with limited liability, and a wholly owned subsidiary of Fosun Pharma
"Latest Practicable Date"	10 April 2024, being the latest practicable date for ascertaining the contents set out in this report prior to printing
"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
"mAb"	monoclonal antibodies
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 of the Listing Rules
"NDA"	new drug application
"NMPA"	the National Medical Products Administration of the PRC
"PRC", "China" or "Mainland China"	the People's Republic of China, but for the purposes of this annual report only, except where the context requires, references in this annual report to PRC, China or Mainland China exclude Hong Kong, Macau and Taiwan Regions
"Promotional Services Agreement"	the agreement entered into by Henlius Biopharmaceuticals and Jiangsu Fosun on 24 August 2020 in relation to the provision of promotional services by Jiangsu Fosun to the Group, as amended by a supplemental agreement on 31 December 2020, 30 June 2022 and 29 December 2023