MISSION

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

VISION

Be the most trusted biopharma providing innovative and affordable medicines for all patients.

Corporate Information

Operation Highlights

Management Discussion and Analysis

Independent Review Report

Interim Condensed Consolidated Statement of Profit or Loss

Interim Condensed Consolidated Statement of Comprehensive Income

Interim Condensed Consolidated Statement of Financial Position

Interim Condensed Consolidated Statement of Changes in Equity

Interim Condensed Consolidated Statement of Cash Flows

Notes to Interim Condensed Consolidated Financial Information

General Information

Definitions

CORPORATE INFORMATION

DIRECTORS

Wenjie Zhang *(Chairman)*
Jun Zhu (朱俊) *(Chief Executive Officer)*

Qiyu Chen (陳啟宇)
Yifang Wu (吳以芳)
Xiaohui Guan (關曉暉)
Deyong Wen (文德鏞)
Xingli Wang

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

SUPERVISORS

Rongli Feng (馮蓉麗) *(Chairman)*
Deli Kong (孔德力)
Yexing Yuan (袁曄星)

Tak Young So (蘇德揚) *(Chairman)*
Lik Yuen Chan (陳力元)
Xiaohui Guan (關曉暉)

Wenjie Zhang *(Chairman)*
Guoping Zhao (趙國屏)
Ruilin Song (宋瑞霖)

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Tak Young So (蘇德揚)
Ruilin Song (宋瑞霖)
Wenjie Zhang
Jun Zhu (朱俊)

Yan Wang (王燕)
Wan Kai Chong (莊運啓) *(Associate member of the Hong Kong Chartered Governance Institute)*[1]
Mei Ha Wendy Kam (甘美霞) *(Fellow of the Hong Kong Chartered Governance Institute)*[2]

Notes:

1. Ms. Wan Kai Chong (莊運啓

Wenjie Zhang Wan Kai Chong (莊運啓)[1] Mei Ha Wendy Kam (甘美霞)[2]	Ernst & Young *Certified Public Accountants* *Registered Public Interest Entity Auditor* 27/F, One Taikoo Place, 979 King's Road Quarry Bay, Hong Kong
11F, Building B8 188 Yizhou Road Xuhui District Shanghai PRC	*As to Hong Kong and U.S. laws:* Freshfields Bruckhaus Deringer 55th Floor, One Island East Taikoo Place, Quarry Bay Hong Kong
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Note:

3. Took effect upon approvals at the annual general meeting, the 2024 first class meeting of domestic shareholders and unlisted foreign shareholders and the 2024 first class meeting of H shareholders held on 20 May 2024.

OPERATION HIGHLIGHTS

1. The Group's total revenue was approximately RMB2,746.1 million for the six months ended 30 June 2024, which was mainly from drug sales, R&D services provided to customers, and license income, representing an increase of approximately RMB245.6 million or approximately 9.8% compared to approximately RMB2,500.5 million for the six months ended 30 June 2023.

2. For the six months ended 30 June 2024, the Group recognised expensed R&D expenditure of approximately RMB482.5 million, representing a decrease of approximately RMB65.3 million as compared to approximately RMB547.8 million for the six months ended 30 June 2023. During the Reporting Period, the Group continued to deploy scientific and efficient R&D strategy, and optimise the allocation of pipeline resources.

3. The Group's profit for the period was approximately RMB386.3 million for the six months ended 30 June 2024, representing an increase of approximately RMB146.3 million in profit from a profit of approximately RMB240.0 million for the six months ended 30 June 2023, mainly due to the successive commercialisation of core products and the constant sales expansion.

1

As at the Latest Practicable Date, HANQUYOU® has benefited over 200,000 patients in total in Mainland China.

In April 2024, trastuzumab for injection (US trade name: HERCESSI™) was approved by the FDA for the treatment of adjuvant breast cancer, metastatic breast cancer and metastatic gastric cancer.

In August 2024, trastuzumab for injection (Canadian trade name: Adheroza) was approved by the Health Canada for the treatment of early breast cancer, metastatic breast cancer and metastatic gastric cancer.

From the beginning of 2024 to date, the marketing authorisation applications of different specifications of HANQUYOU were approved in countries/regions such as Brazil, the Philippines, and Uzbekistan.

2

In April 2024, the new drug application of HANSIZHUANG was approved in Cambodia for the treatment of extensive-stage small cell lung cancer (ES-SCLC).

In July 2024, the new drug application of HANSIZHUANG was approved in Thailand for the treatment of extensive-stage small cell lung cancer (ES-SCLC).

3

As at the Latest Practicable Date, HANLIKANG has benefited over 260,000 patients in total in Mainland China.

In May 2024, the new drug application of HANLIKANG was approved in Peru.

In February 2024, the supplemental new drug applications (sNDA) for four new indications of HANDAYUAN such as polyarticular juvenile idiopathic arthritis, pediatric plaque psoriasis, Crohn's disease and pediatric Crohn's disease have been accepted by the NMPA, and was approved in May 2024.

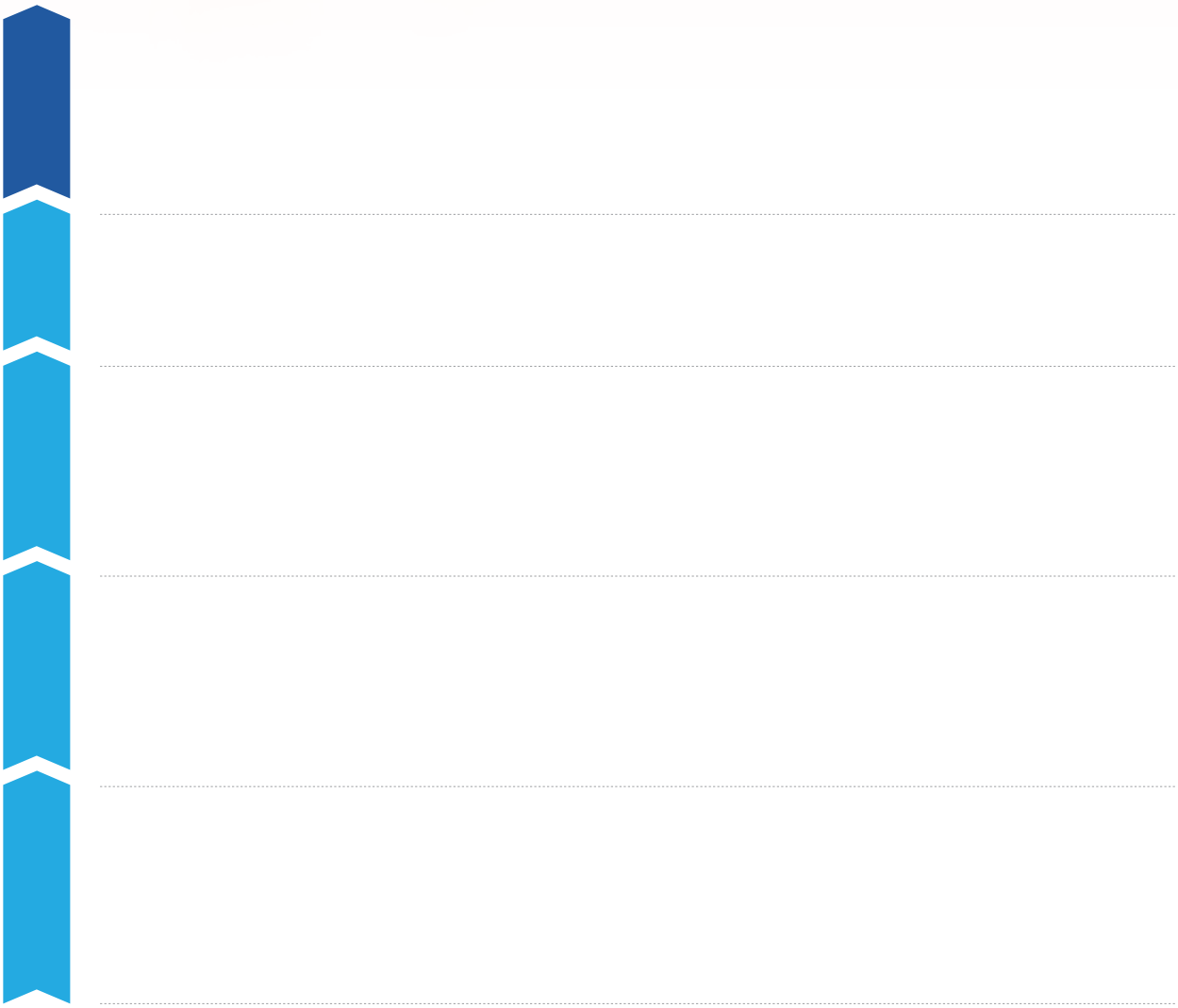
As at the Latest Practicable Date, HANBEITAI has fully covered the provinces adopting dual-channel medical insurance payment and successfully advanced towards the established commercialisation goals.

4

During the Reporting Period, the equity transfer transaction under the Framework Agreement in relation to the Acquisition of DDL Licensed Company was officially completed. As Henlius Pharmaceutical Trading, the target company of the acquisition, holds a pharmaceutical business license, the Group has since gained the capability to commercialise and sell more in-licensing products, thereby expanding its operational channels and further broadening its business model.

In August 2024, the Company entered into an agreement with Convalife Pharmaceuticals Co., Ltd. to in-license the exclusive commercialisation rights of HANNAIJIA (Neratinib) in PRC, as well as the conditional licenses in agreed overseas countries and regions. HANNAIJIA was approved for marketing in Mainland China in June 2024 for intensive adjuvant therapy of human epidermal growth factor receptor-2 (HER2) positive early breast cancer in adults after adjuvant therapy containing trastuzumab.

OPERATION HIGHLIGHTS



Innovative mAb
Innovative fusion protein
Biosimilar mAb
Innovative ADC
Small molecule

Bridging study in the United States

Global MRCT

HANSIZHUANG, HANLIKANG, HANQUYOU, HANDAYUAN and HANBEITAI, the core products of the Company, were all successfully launched.

(9) IND approvals obtained in China/Australia/the United States/Singapore/EU countries, etc. Business partner: Essex

(10) IND approvals obtained in China/EU. Business partner: Organon

As part of our commitment to provide affordable and high-quality biomedicines for patients worldwide, the Group continued to strengthen the establishment and layout of the integrated platform of R&D, production and commercialisation in 2024. The continuous growth of sales revenue of HANQUYOU and HANSIZHUANG, our core products, the favorable results in cost control of the Company's refined management measures, the orderly progress of clinical development and drug registration of pipeline products and international production capacity, as well as the systematically deepened and implemented "Going Global" strategy, have not only secured the Group's sustained profitability throughout the Reporting Period but also continuously driven the positive cycle and high-quality growth of the Company's business.

As at the Latest Practicable Date, 5 products (23 indications) of the Group have been successfully marketed in Mainland China, and 3 products have been successfully approved for marketing in Europe, the United States, Canada, Australia, Indonesia and other counties/regions. From the beginning of 2024 to date, HANQUYOU was approved by the FDA for the treatment of adjuvant breast cancer, metastatic breast cancer and metastatic gastric cancer, and the New Drug Submission (NDS) for HANQUYOU

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HANQUYOU is the core product of the Group in the field of anti-tumour therapy independently developed by the Group in accordance with the relevant regulations on biosimilars of Mainland China, the EU, and the United States. In Mainland China, HANQUYOU has continued to penetrate the domestic market and generate significant sales revenue for the Group leveraging the Group's efficient market access and sales execution capabilities, as well as the differentiated advantages offered by HANQUYOU's flexible dose portfolio of 150mg and 60mg.

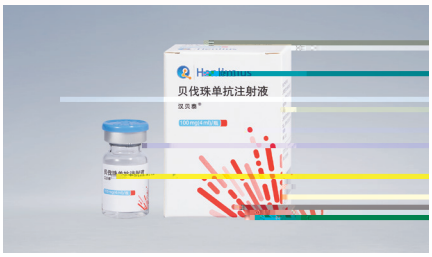
In April 2024, trastuzumab for injection (US trade name: HERCESSI™) was approved by the FDA for the treatment of adjuvant breast cancer, metastatic breast cancer and metastatic gastric cancer. Since then, HANQUYOU has become a monoclonal antibody biosimilar drug approved in Mainland China, Europe, and the United States. In addition, the New Drug Submission (NDS) for trastuzumab injection (Canadian trade name: Adheroza) was approved by the Health Canada in August 2024. From the beginning of 2024 to date, the marketing authorisation applications of different specifications of HANQUYOU were approved in countries/regions such as Brazil, the Philippines, and Uzbekistan.

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In Mainland China, HANSIZHUANG's approved indications include Microsatellite Instability-High (MSI-H) solid tumours, locally advanced or metastatic squamous non-small cell lung cancer (sqNSCLC), extensive-stage small cell lung cancer (ES-SCLC) and PD-L1 positive, unresectable locally advanced/recurrent or metastatic esophageal squamous cell carcinoma (ESCC). It has become the first monoclonal antibody drug targeting PD-1 approved for first-line treatment of extensive-stage small cell lung cancer (ES-SCLC) around the world, and its differentiated advantages of focusing on small cell lung cancer are uniquely competitive in the PD-1 market.

With its excellent efficacy and data quality, HANSIZHUANG has also been widely acknowledged in the international market. As its licenses-out areas covering the United States, Europe, Southeast Asia, the Middle East and

Additionally, HANBEITAI, the fourth biosimilar product of the Group approved for marketing and had realised commercial sales, had covered metastatic colorectal cancer, advanced, metastatic or recurrent non-small cell lung cancer, recurrent glioblastoma, cervical cancer, as well as indications of epithelial ovarian cancer, fallopian tube cancer or primary peritoneal cancer. As of the Latest Practicable Date, HANBEITAI has fully covered provinces adopting dual-channel medical insurance payment and smoothly progressed towards its established commercialisation goals.



During the Reporting Period, based on clinical needs, the Group has orderly organised the development of innovative products. Clinical trials on the indication for products are in further process, including HANSIZHUANG (PD-1) and related combination therapies, HLX22 (anti-human epidermal growth factor receptor-2 (HER2) humanised monoclonal antibody injection), HLX42 for injection (antibody-drug conjugate targeting EGFR with novel DNA topoisomerase I inhibitor), HLX6018 (recombinant anti-GARP/TGF-β1 humanised monoclonal antibody injection) and HLX78 (lasofoxifene) for the treatment of solid tumours, small cell lung cancer (SCLC), metastatic colorectal cancer (mCRC), gastric cancer (GC) and hepatocellular carcinoma (HCC).

With well-rounded teams for global drug registration and clinical operation, the Group was committed to promoting the development of pipeline products domestically and internationally. During the Reporting Period, the Group submitted nearly 80 drug registrations, including 8 investigational new drug applications (INDs) and 9 new drug applications (NDAs), and received approval for more than 60 drug registrations, including 4 investigational new drug applications (INDs) and 7 new drug applications (NDAs), in China, the United States, the EU and nearly 20 other countries, including Canada, Indonesia and Japan. The Group has formed its clinical operation teams in the United States, Australia, etc. for operation and management of overseas research centers. As of the end of the Reporting Period, the Group had a number of ongoing international multi-centre clinical studies in China, the United States, Australia, Spain, Germany, Poland, Hungary, Latvia and other countries.

As at the Latest Practicable Date, the Group has carried out a total of more than 30 clinical trials in an orderly manner in various countries/regions across the world.

– Progress of HANSIZHUANG (serplulimab injection)

  - In May 2024, the first patient in phase 3 part has been dosed in the international multi-center phase 2/3 clinical trial of HANSIZHUANG in combination with bevacizumab and chemotherapy for the first-line treatment of metastatic colorectal cancer in Mainland China. In July 2024, such combination therapy was permitted to commence the international multi-centre phase 3 clinical trial in Japan and Indonesia, respectively.

  - As at the Latest Practicable Date, 96 sites have been set for the bridging study in the United States for HANSIZHUANG in combination with chemotherapy for the first-line treatment of extensive-stage small cell lung cancer (ES-SCLC), and the recruitment of subjects is ongoing.

– Progress of other products

  - In April 2024, an international multi-centre phase 3 clinical study of a biosimilar of denosumab HLX14 (recombinant anti-RANKL human monoclonal antibody injection) for the treatment of osteoporosis in postmenopausal women at high risk for fracture has met the primary study endpoints. The marketing authorisation applications (MAAs) for the product have been validated by the European Medicines Agency (EMA) in May 2024. The marketing authorisation applications (NDSs) for the product have been accepted by Health Canada in September 2024.

  - In May 2024, an investigational new drug application for the phase 3 clinical trial of HLX22 (anti-human epidermal growth factor receptor-2 (HER2) humanised monoclonal antibody injection) in combination with trastuzumab and chemotherapy as the first-line treatment of HER2 positive advanced gastric cancer was approved by the FDA.

– Progress of HANSIZHUANG (serplulimab injection)

  - In April 2024, an investigational new drug application (IND) for HLX53 (anti-TIGIT Fc fusion protein) in combination with HANSIZHUANG and HANBEITAI for the first-line treatment of locally advanced or metastatic hepatocellular carcinoma was approved by the NMPA. The first patient has been dosed in phase 2 clinical trial of this combination therapy in August 2024.

  - In April 2024, the recruitment of subjects was completed in the phase 3 clinical study of HANSIZHUANG in combination with chemotherapy for neo-/adjuvant treatment of gastric cancer in phase 3 in Mainland China.

– Progress of other products

  - In January 2024, the phase 1 clinical study of a biosimilar of denosumab HLX14 (recombinant anti – RANKL human monoclonal antibody injection) in healthy Chinese male subjects was successfully completed. This study met all of the pre-specified endpoints.

  - In March 2024, the first patient has been dosed in a phase 1 clinical study of HLX42 for injection (antibody – drug conjugate targeting EGFR with novel DNA topoisomerase I inhibitor) for the treatment of advance/metastatic solid tumours in Mainland China.

  - In March 2024, an investigational new drug application (IND) for HLX6018 (recombinant anti-GARP/TGF-β1 humanised monoclonal antibody injection) was approved by the NMPA for the treatment of idiopathic pulmonary fibrosis. In April 2024, the first subject has been dosed in a phase 1 clinical study in healthy subjects of this product in Mainland China.

  - In May 2024, an investigational new drug application (IND) for HLX78 (lasofoxifene) was approved by the NMPA. The product was licensed in by the Company in January 2024 and is at phase 3 of the international multi-center clinical trial.

  - In June 2024, a phase 1 clinical study of a biosimilar of daratumumab HLX15 (recombinant anti-CD38 fully human monoclonal antibody injection) in healthy Chinese male subjects has been successfully completed. This study met all of the pre-specified endpoints.

  - In September 2024, an investigational new drug application (IND) for the clinical trial of pembrolizumab biosimilar HLX17 (recombinant humanised anti-PD-1 monoclonal antibody injection) was approved by the NMPA. HLX17 is intended for the treatment of melanoma, non-small cell lung cancer, esophageal cancer, head and neck squamous cell cancer, colorectal cancer, hepatocellular carcinoma, biliary tract cancer, triple-negative breast cancer, microsatellite instability-high or deficient mismatch repair tumours, gastric cancer, etc.

Hepatocellular carcinoma (HCC)	In April 2024, the investigational new drug application was approved by the NMPA In August 2024, the first patient has been dosed in a phase 2 clinical study
neo-/adjuvant for GC	In April 2024, the enrollment of subjects in a phase 3 clinical study completed
Osteoporosis (OP) etc.	In January 2024, phase 1 clinical study in Chinese healthy male subjects was completed
Solid tumour	In March 2024, the first subject has been dosed in a phase 1 clinical study
Idiopathic pulmonary fibrosis (IPF)	In March 2024, the investigational new drug application was approved by the NMPA In April 2024, the first subject has been dosed in a phase 1 clinical study
Breast cancer (BC)	In May 2024, the investigational new drug application was approved by the NMPA
Multiple myeloma (MM)	In June 2024, phase 1 clinical study in healthy male subjects was completed
Idiopathic pulmonary fibrosis (IPF)	In March 2024, the investigational new drug application was approved by the NMPA (Already in clinical phase in Mainland China)
Hepatocellular carcinoma (HCC)	In April 2024, the investigational new drug application was approved by the NMPA (Already in clinical phase in Mainland China)

	Melanoma, non-small cell lung cancer (NSCLC), esophageal cancer (EC), head and neck squamous cell cancer (HNSCC), colorectal cancer (CRC), hepatocellular carcinoma (HCC), biliary tract cancer (BTC), triple-negative breast cancer (TNBC), microsatellite instability-high or deficient mismatch repair tumours (MSI-H/dMMR solid tumours), gastric cancer (GC)	In September 2024, the investigational new drug application was approved by the NMPA

By centering on patients' needs, with the clinical value-oriented early R&D, based on new drug discovery platforms driven by deep data and biocomputing accelerated molecular design technology, the Group continues to develop high-quality and affordable innovative drugs to treat complex diseases with the help of network biology and polypharmacology. By employing a comprehensive antibody drug technology platform to empower the development of innovative therapies, the Group was eyeing the next-generation innovative antibody drugs and antibody-based drugs. In terms of the development of antibody-drug conjugates (ADC), the Group's R&D platform Hanjugator has the ability to develop ADC products with high safety, high selectivity and high efficacy, and is able to effectively expand the application scenarios of ADC products, providing strong support for the Group in developing ADC products with differentiation advantage and significant clinical value.

As at the Latest Practicable Date, the Group has a total of more than 50 molecules in its pipeline and 14 R&D platforms, with the forms of drug covering monoclonal antibody, bispecific antibody, ADC, recombinant protein and small molecule-drug conjugates, etc.

As at the end of the Reporting Period, the Group, with a total commercial production capacity of 48,000L (including the Xuhui Facility with a commercial production capacity of 24,000L and Songjiang First Plant with a commercial production capacity of 24,000L), has fully supported the global supply of products approved for marketing.

- Xuhui Facility, the Group's first biopharmaceutical production base in Shanghai Caohejing Hi-Tech Park has been

- s long-term demand for commercial production capacity, the construction of the Phase

As at the Latest Practicable Date, 5 products of the Group have been successfully approved for marketing in Mainland China, Europe, the United States, Canada, Australia, Indonesia and other countries/regions. In the second half of 2024, the Group will continuously promote the marketing approval process of more products in the global market with experiences gained along the way.

- The new drug application (NDA) for new indication of HANSIZHUANG in combination with chemotherapy for the first-line treatment of locally advanced or metastatic non-squamous non-small cell lung cancer (NSCLC) is expected to be approved in Mainland China in the second half of 2024.

- The marketing authorisation application (MAA) for HANSIZHUANG in combination with chemotherapy for the first-line treatment of adult patients with extensive-stage small cell lung cancer (ES-SCLC) is expected to be approved in the EU in the second half of 2024.

- The biologic license application (BLA) for HANSIZHUANG in combination with chemotherapy for the treatment of extensive-stage small cell lung cancer (ES-SCLC) is expected to be submitted in the United States in early 2025.

- The new drug application (NDA) for pertuzumab biosimilar HLX11 is expected to be submitted in China in the second half of 2024.

- The biologics license application (BLA) for denosumab biosimilar HLX14 has been submitted in the United States in August 2024, and is expected to be accepted in the second half of 2024.

- The biologics license application (BLA) for pertuzumab biosimilar HLX11 is expected to be submitted in the United States in the second half of 2024.

- In the second half of 2024, the Group will also proactively cooperate with international partners to facilitate the marketing approval process in terms of HANLIKANG, HANQUYOU, HANDAYUAN, HANBEITAI, HANSIZHUANG, HLX14, and HLX04-O in China, the United States, the EU, Canada, the United Kingdom, Switzerland, Saudi Arabia, Brazil and other countries and regions.

The Group proactively plans the construction of production bases and the expansion of production capacity in accordance with the process of product R&D and marketing, providing a strong guarantee for the commercial sales of products. The Group's Xuhui Facility will continue to adopt a series of lean management and process optimization measures to ensure the stability and efficiency of international commercial production and promote the marketing application of HANSIZHUANG in the United States as soon as possible. In the second half of 2024, Songjiang First Plant will continuously improve the international standard quality system and plans to complete the GMP compliance inspection of HLX14 before its launch in the EU.

Songjiang Second Plant Phase I Project is expected to complete completion acceptance in the second half of 2024 and its batch production of Second Generation Process performance qualification (PPQ) of HANSIZHUANG is expected to be completed. Verification of facilities at each stage of the Songjiang Second Plant Phase I Project will be gradually facilitated based on the business needs of the Group. The Group will promote the construction and operation of the Songjiang Second Plant as soon as possible. When completed, the Songjiang Second Plant will become the R&D, pilot test and production base for monoclonal antibody biological drugs of the Group. This will further enhance the market competitiveness of the Group in its core business areas and meet the global commercial production needs of the Group's products.

During the Reporting Period, the Group kept focusing on patient needs, took the clinical needs as the starting point and improved its own core competitiveness by leveraging on its forward-looking global strategic layout and differentiated innovation initiatives. Under the dual-wheel driven strategies of "biosimilar and innovative drugs", the Group continued to enhance the global operating systems of R&D, production and commercialisation, and explored more opportunities for

teamTd(Ma

HANSIZHUANG was the first self-developed and approved bio-innovative drug of the Group. The approval of HANSIZHUANG will further enrich the Company's commercial product line and will also bring more treatment options for domestic patients. It was commercially available on the domestic market in March 2022. During the Reporting Period, HANSIZHUANG recorded sales revenue of approximately RMB676.9 million.

HANBEITAI is the fourth biosimilar product of the Group approved for marketing in Mainland China and commercialised by the Group's in-house team. It was commercially available on the domestic market in January 2023. During the Reporting Period, HANBEITAI recorded sales revenue of approximately RMB86.7 million.

In respect of HANLIKANG, according to the cooperation agreement with Fosun Pharma, Fosun Pharma would reimburse all the expenses related to the clinical trials of HANLIKANG incurred by the Group after the relevant cooperation agreement was signed, and the Group was responsible for the production of HANLIKANG in China and the supply of HANLIKANG to Fosun Pharma after the commercialisation of HANLIKANG, and shall share the profits from the sales of HANLIKANG in China. During the Reporting Period, the Group recorded sales revenue of approximately RMB227.0 million, and licensing income of approximately RMB11.0 million under the aforementioned profit-sharing arrangement with its partners.

In respect of HANDAYUAN, according to the cooperation agreement with Fosun Pharma, Fosun Pharma would reimburse all the expenses related to the clinical trials of HANDAYUAN incurred by the Group after the relevant cooperation agreement was signed, and the Group was responsible for the production of HANDAYUAN in China and the supply of HANDAYUAN to Fosun Pharma after the commercialisation of HANDAYUAN, and shall share the profits from the sales of HANDAYUAN in China. During the Reporting Period, HANDAYUAN recorded sales revenue of approximately RMB13.6 million under the aforementioned profit-sharing arrangement with its partners.

During the Reporting Period, the Group recorded revenue in respect of Zercepac®

In June 2022, the Group entered into a license and supply agreement with Organon LLC in relation to HLX11 (recombinant anti-HER2 domain II humanised monoclonal antibody injection) and HLX14 (recombinant anti-RANKL human monoclonal antibody injection). The Group has recognised revenue from R&D services of approximately RMB170.8 million for the six months ended 30 June 2024.

In November 2022, the Group entered into a license agreement with Fosun Pharma Industrial Development, granting it the exclusive right to commercialise HANSIZHUANG (serplulimab) independently developed by the Group in the United States. The Group has recognised revenue from R&D services of approximately RMB74.4 million for the six months ended 30 June 2024.

	2024	2023 RMB'000
R&D employee salaries	**152,537**	183,609
Outsourcing fees	**63,137**	29,942
Reagents and consumables	**50,821**	76,613
Utilities expenses	**5,104**	8,037
Depreciation and amortisation	**21,292**	32,710
Consulting expense	**16,365**	12,126
Technology expense	**11,261**	53,879
Clinical trials	**140,868**	119,265
Share-based compensation	**–**	160
Others	**21,081**	31,486
	482,466	547,828
Clinical trials	**95,010**	26,846
R&D employee salaries	**86,123**	57,203
Reagents and consumables	**42,164**	18,437
Depreciation and amortisation	**21,372**	5,960
Utilities expenses	**4,226**	1,879
Outsourcing fees	**14,421**	9,251
Share-based compensation	**–**	38
Technology expense	**65,493**	–
Consulting expense	**1,058**	4
Others	**13,272**	6,383
	343,139	126,001

During the Reporting Period, the Group recognised R&D expenses of approximately RMB825.6 million, representing an increase of approximately RMB151.8 million as compared with approximately RMB673.8 million for the six months ended 30 June 2023. Such R&D expenses was mainly due to advancing technology platform innovation, IND application and clinical trials for new drugs to accelerate the Company's innovation and transformation.

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

During the Reporting Period, the Group recognised administrative expenses of approximately RMB159.9 million, representing a decrease of approximately 2% as compared with that of approximately RMB163.7 million for the six months ended 30 June 2023. The decrease in the Group's administrative expenses was mainly due to the Group's overall cost reduction and efficiency improvement, and decrease in third-party consulting expense.

Selling and distribution expenses of the Group mainly included salaries, promotional expenses and other expenses.

During the Reporting Period, the Group recognised selling and distribution expenses of approximately RMB900.2 million, which were mainly due to continuous sales growth of HANQUYOU and HANSIZHUANG and the marketing expenses incurred in the marketing and selling of HANBEITAI. Among which, the marketing expenses ratio of HANQUYOU in domestic market has been decreasing over the years.

The Group recognised other expenses of approximately RMB14.3 million, which mainly were: (1) the external donations of approximately RMB1.0 million; and (2) impairment losses on assets of approximately RMB13.3 million, mainly including: provision for loss on devaluation of inventories of certain raw materials, semi-finished products and finished products.

For the six months ended 30 June 2024, the Group incurred income tax expenses of approximately RMB9.4 million.

In view of the above, profit of the Group increased by approximately RMB146.3 million from a profit of approximately RMB240.0 million for the six months ended 30 June 2023 to a profit of approximately RMB386.3 million for the six months ended 30 June 2024.

As of 30 June 2024, cash and bank balances of the Group were approximately RMB649.4 million, mainly denominated in RMB, USD, New Taiwan Dollars ("**NTD**"), Hong Kong Dollars (" ") and Euro ("**EUR**"). As of 30 June 2024, the current assets of the Group were approximately RMB2,396.6 million, including cash and cash equivalents of approximately RMB313.9 million and time deposits with maturity over three months of approximately RMB335.5 million.

As of 30 June 2024, the inventories were approximately RMB783.3 million, trade receivables were approximately RMB744.1 million, prepayments, deposits and other receivables were approximately RMB174.9 million and contract assets of approximately RMB44.8 million.

As of 30 June 2024, the current liabilities of the Group were approximately RMB4,903.0 million, including trade payables of approximately RMB617.1 million, other payables and accruals of approximately RMB1,066.7 million and contract liabilities of approximately RMB381.4 million and interest-bearing bank and other borrowings of approximately RMB2,837.7 million.

As at 30 June 2024, the foreign exchange bank balances of the Group were as follows:

RMB	**318,242**
HKD	**4,304**
USD	**321,706**
EUR	**2,016**
NTD	**3,181**

RMB	**318,242**
HKD	**4,716**
USD	**45,275**
EUR	**263**
NTD	**14,241**

Inventories of the Group increased from approximately RMB757.4 million as at 31 December 2023 to approximately RMB783.3 million as at 30 June 2024, mainly due to the increase in sales and expansion of raw material reserves.

As of 30 June 2024 and 31 December 2023, trade receivables from customer contracts were approximately RMB744.1 million and RMB647.8 million, respectively. There were no changes in accounting estimates or material assumptions made in the provision of the expected credit losses of trade receivables in both periods.

	2024	31 December 2023 RMB'000
Within 3 months	**743,906**	635,950
3 to 6 months	**195**	11,878
	744,101	647,828

As of 30 June 2024, borrowings from bank and other institutions (exclusive of lease liabilities) of the Group were approximately RMB3,790.6 million. The Group incurred new borrowings for the following reasons: ongoing clinical research trials and preclinical research for drug candidates, selling expenses of commercialisation of products, plant construction and normal operating expenses. The borrowings of the Group were denominated in RMB.

Such borrowings bear interest at fixed annual and floating interest rates. There is no significant seasonal impact on the Group's borrowing requirements.

The following table sets forth the maturity structure of outstanding debts as at 30 June 2024 and 31 December 2023, of which lease liabilities were initially recognised upon the adoption of IFRS 16 – Leases on 1 January 2017.

	2024	31 December 2023 RMB'000
Within one year	**2,837,718**	2,800,377
In the second year	**225,839**	213,288
In the third to fifth year (inclusive)	**914,753**	899,218
Over five years	**75,779**	180,168
	4,054,089	4,093,051

As of 30 June 2024, the Group's pledged assets in relation to borrowings included property, plant and equipment of approximately RMB1,033.2 million and land use right of approximately RMB190.5 million.

	2024	31 December 2023
Current ratio[(1)]:	**48.9%**	52.8%
Quick ratio[(2)]:	**32.9%**	37.9%
Gearing ratio[(3)]:	**59.2%**	59.5%

Notes:

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

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

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

In order to satisfy the expected market demand for drug candidates, the Group is currently constructing a new manufacturing facility in Shanghai, the Songjiang Second Plant, to significantly increase our overall production capacity. We designed the Songjiang Second Plant to incorporate substantially similar manufacturing equipment, technologies and processes as those being used and to be implemented at our Xuhui Facility. This project is expected to become the monoclonal antibody biological drug R&D, pilot test and production base of the Group when completed, which is conducive to further strengthening the Group's R&D capabilities in the field of biomedicine (especially monoclonal antibody biomedicine) and meeting the global commercial production needs of the Group's biosimilar and bioinnovative products.

The Company is expected to invest not more than RMB2.54 billion for the construction of the Phase I project of the "Songjiang Second Plant" (first stage, second stage and third stage). As at the end of the Reporting Period, the facility is under construction and the subsequent stages of construction will be gradually carried out based on the strategy of the Group. The capital expenditure of the construction of the Songjiang Second Plant will be mainly funded through debt financing.

Save as disclosed in this report, as of 30 June 2024, the Group did not make other material investments.

	2024	31 December 2023 RMB'000
Construction in progress	**153,939**	472,846
Plant and machinery	**7,647**	52,046
Electronic equipment	**2,901**	11,574
Leasehold improvements	**4,342**	35,589
	168,829	572,055

We had capital commitments for plant and machinery contracted but not provided for of approximately RMB111.9 million as of 30 June 2024. These capital commitments primarily relate to expenditures expected to be incurred for the purchase of machinery, renovation of our existing laboratories and buildings and the R&D expenditure to be capitalised.

As of 30 June 2024, the Group did not have any material contingent liabilities.

As of 30 June 2024, the Group did not have any material acquisitions and disposals.

The Company did not pay or declare any dividend for the Reporting Period.

As at 30 June 2024, the Group was principally engaged in business in the PRC, in which most of the transactions were settled in RMB with no significant foreign exchange risk. No financial instrument for hedging foreign exchange risk or other hedging purposes was employed.

The following table sets forth the breakdown of our employees by function as at 30 June 2024:

R&D and technology	979
Manufacturing	848
Commercial Operation	1,456
General and administrative	263
	3,546

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

INDEPENDENT REVIEW REPORT

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INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2024

		2024	2023 (Unaudited) RMB'000
REVENUE	4	**2,746,109**	2,500,470
Cost of sales			(721,638)
		1,990,695	1,778,832
Other income and gains	5	**24,739**	26,837
Selling and distribution expenses			(782,954)
Research and development expenses			(547,828)
Administrative expenses			(163,708)
Impairment losses on financial assets, net		**–**	(729)
Other expenses			(12,430)
Finance costs	7		(54,084)
	6	**395,718**	243,936
Income tax expense	8		(3,956)
		386,301	239,980
Owners of the parent		**386,301**	239,980
Non-controlling interests		**–**	–
		386,301	239,980
Basic for profit for the period (RMB)	10	**0.71**	0.44
Diluted for profit for the period (RMB)	10	**0.71**	0.44

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2024

	2024	2023 (Unaudited) RMB'000
	386,301	239,980
Other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations		3,288
		3,288
	385,956	243,268
Owners of the parent	**385,956**	243,268
Non-controlling interests	**–**	–
	385,956	243,268

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2024

			31 December 2023 (Audited) RMB'000
Property, plant and equipment	11	**2,319,676**	2,237,768
Intangible assets	12	**4,819,859**	4,510,729
Right-of-use assets		**397,258**	414,886
Other non-current assets		**46,405**	64,156
		7,583,198	7,227,539
Inventories		**783,331**	757,359
Trade receivables	13	**744,101**	647,828
Contract assets		**44,760**	82,419
Prepayments, deposits and other receivables	14	**174,921**	200,761
Cash and bank balances		**649,449**	987,665
		2,396,562	2,676,032
Trade payables	15	**617,145**	544,815
Other payables and accruals		**1,066,707**	1,255,363
Contract liabilities		**381,380**	466,878
Interest-bearing bank and other borrowings	16	**2,837,718**	2,800,377
		4,902,950	5,067,433
			(2,391,401)
		5,076,810	4,836,138
Interest-bearing bank and other borrowings	16	**1,216,371**	1,292,674
Other long-term payables		**72,801**	172,071
Contract liabilities		**982,201**	949,044
Deferred income		**227,180**	230,048
		2,498,553	2,643,837
		2,578,257	2,192,301
EQUITY			
Share capital	17	**543,495**	543,495
Reserves		**2,034,762**	1,648,806
		2,578,257	2,192,301
		2,578,257	2,192,301

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2024

At 1 January 2024 (audited)	**543,495**	**6,069,384**				**2,192,301**
Profit of the period	**–**	**–**	**–**	**–**	**386,301**	**386,301**
Other comprehensive loss for the period:						
Exchange differences related to foreign operations	**–**	**–**	**–**		**–**	
Total comprehensive income for the period	**–**	**–**	**–**		**402,622**	**402,277**
At 30 June 2024 (unaudited)	**543,495**	**6,069,384**				**2,578,257**

* These reserve accounts comprise the consolidated other reserves of RMB2,034,762,000 in the consolidated statement of financial position.

For the six months ended 30 June 2023

		Attributable to owners of the parent					
	Notes	Share capital RMB'000	Share premium* RMB'000	Other reserve* RMB'000	Exchange fluctuation reserve* RMB'000	Accumulated losses* RMB'000	Total RMB'000
At 1 January 2023 (audited)		543,495	6,051,757	(481,413)	(7,018)	(4,470,489)	1,636,332
Profit of the period		–	–	–	–	239,980	239,980
Other comprehensive income for the period:							
Exchange differences related to foreign operations		–	–	–	3,288	–	3,288
Total comprehensive income for the period		–	–	–	3,288	239,980	243,268
Vesting of restricted shares	(i)	–	17,627	(10,321)	–	–	7,306
Equity-settled share-based payments	(ii)	–	–	2,627	–	–	2,627
At 30 June 2023 (unaudited)		543,495	6,069,384	(489,107)	(3,730)	(4,230,509)	1,889,533

* These reserve accounts comprise the consolidated other reserves of RMB1,346,038,000 in the consolidated statement of financial position.

Notes:

(i) According to the share award scheme of the Company, 793,293 shares were vested. An amount of RMB7,306,000 was credited as other reserve due to the release of repurchase obligation and an amount of RMB17,627,000 was transferred out from other reserve to share premium.

(ii) The Company has recognised an expense of RMB2,285,000, a cost of sales of RMB302,000, a deferred deve95ueve95

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2024

		2024	2023 (Unaudited) RMB'000
Profit before tax		**395,718**	243,936
Adjustments for:			
Finance costs	7	**62,796**	54,084
Depreciation of property, plant and equipment	6	**70,213**	59,573
Depreciation of right-of-use assets	6	**34,323**	34,837
Amortisation of intangible assets	6	**68,072**	68,069
Amortisation of deferred income			(2,455)
Foreign exchange gains, net	5		(7,820)
Impairment of financial assets, net	6	**–**	729
Loss on disposal of items of property, plant and equipment	6	**46**	21
Write-down of inventories to net realisable value	6	**13,254**	6,487
Share-based payment expense		**–**	2,587
Cash inflows before working capital changes		**637,488**	460,048
Increase in inventories			(48,631)
Increase in trade receivables			(409,970)
Decrease in prepayments, other receivables and other assets		**5,217**	17,367
Decrease in contract assets		**37,659**	–
Increase/(decrease) in trade payables		**2,284**	(64,472)
(Decrease)/increase in other payables and accruals			302,271
(Decrease)/increase in contract liabilities			79,203
Increase in deferred income		**500**	600
Cash generated from operations activities		**260,680**	336,416
Tax paid			(3,956)
Net cash flows generated from operating activities		**251,263**	332,460
Purchases of items of property, plant and equipment and other non-current assets			(239,892)
Proceeds from disposal of items of property, plant and equipment		**–**	30
Increase in time deposits with original maturity of more than three months			(120,000)
Cash repaid from a third party		**–**	134,984
Additions to intangible assets			(319,027)
Net cash flows used in investing activities			(543,905)

For the six months ended 30 June 2024

	2024	2023 (Unaudited) RMB'000
New bank and other borrowings	**1,605,488**	1,274,346
Repayment of bank and other borrowings		(1,004,137)
Principal portion of lease payments		(49,684)
Interest paid		(64,028)
Net cash flows (used in)/generated from financing activities		156,497
		(54,948)
Cash and cash equivalents at beginning of period	**867,663**	673,476
Effect of foreign exchange rate changes, net	**4,455**	13,628
	313,911	632,156
Cash and bank balances	**649,449**	759,158
Less: Pledged deposits	**2**	7,002
Time deposits with original maturity of more than three months	**335,536**	120,000
	313,911	632,156

Shanghai Henlius Biotech, Inc. (the "Company") is a joint stock company with limited liability established in the People's Republic of China ("PRC"). The registered office of the Company is located at Room 901, 9th Floor, Building 1, No. 367 Shengrong Road, China (Shanghai) Pilot Free Trade Zone, the PRC.

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

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

In the opinion of the directors of the Company (the "Directors"), the ultimate holding company of the Company is Fosun International Holdings Limited which is a company registered in Hong Kong, and the ultimate controlling shareholder of the Company is Mr. Guo Guangchang.

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

The interim condensed consolidated financial information for the six months ended 30 June 2024 has been prepared in accordance with IAS 34 *Interim Financial Reporting*. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2023.

The Group had net current liabilities of RMB2,506,388,000 as at 30 June 2024. Having taken into account the unused banking facilities and the expected cash flows from operating, investing and financing activities, the directors of the Company consider that it is appropriate to prepare the financial information on a going concern basis.

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2023, except for the adoption of the following revised International Financial Reporting Standards ("IFRSs") for the first time for the current period's financial information.

Amendments to IFRS 16	*Lease Liability in a Sale and Leaseback*
Amendments to IAS 1	*Classification of Liabilities as Current or Non-current* (the "2020 Amendments")
Amendments to IAS 1	*Non-current Liabilities with Covenants* (the "2022 Amendments")
Amendments to IAS 7 and IFRS 7	*Supplier Finance Arrangements*

The nature and impact of the revised IFRSs are described below:

(a) Amendments to IFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. Since the Group has no sale and leaseback transactions with variable lease payments that do not depend on an index or a rate occurring from the date of initial application of IFRS 16, the amendments did not have any impact on the financial position or performance of the Group.

(b) The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period.

The Group has reassessed the terms and conditions of its liabilities as at 1 January 2023 and 2024 and concluded that the classification of its liabilities as current or non-current remained unchanged upon initial application of the amendments. Accordingly, the amendments did not have any impact on the financial position or performance of the Group.

(c) Amendments to IAS 7 and IFRS 7 clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. The disclosure of relevant information for supplier finance arrangements is not required for any interim reporting period during the first annual reporting period in which an entity applies the amendments. The amendments did not have a material impact on the financial position or performance of the Group.

The Group is engaged in biopharmaceutical R&D, biopharmaceutical service and biopharmaceutical production and sales, which are regarded as a single reportable segment in a manner consistent with the way in which information is reported internally to the Group'

An analysis of other income and gains is as follows:

	2024	2023 RMB'000 (Unaudited)
Government grants	**10,706**	14,505
Exchange gains	**3,566**	7,820
Interest income	**10,309**	2,712
Others	**158**	1,800
Total	**24,739**	26,837

The Group's profit before tax from continuing operations is arrived at after charging/(crediting):

		2024	2023 RMB'000 (Unaudited)
Cost of inventories sold		**430,380**	382,617
Cost of services provided		**325,034**	339,021
Depreciation of property, plant and equipment*		**70,213**	59,573
Depreciation of right-of-use assets*		**34,323**	34,837
Amortisation of intangible assets*		**68,072**	68,069
Research and development expenses:			
Current year expenditure		**482,466**	547,828
Foreign exchange gains, net	5		(7,820)
Impairment of financial assets, net		**–**	729
Write-down of inventories to net realisable value		**13,254**	6,487
Bank interest income	5		(2,712)
Loss on disposal of items of property, plant and equipment		**46**	21

* The depreciation of property, plant and equipment, the depreciation of right-of-use assets, the amortisation of intangible assets are included in "Cost of sales", "Research and development expenses", "Selling and distribution expenses" and "Administrative expenses" in the consolidated statement of profit or loss.

An analysis of finance costs is as follows:

	2024	2023 RMB'000 (Unaudited)
Interest expense on bank and other borrowings	**69,150**	64,237
Interest expense on lease liabilities	**6,241**	6,807
Less: Interest capitalised		(16,960)
Total	**62,796**	54,084

The provision for Chinese Mainland current income tax is based on the statutory rate of 25% (six months ended 30 June 2023: 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%.

The provision for current income tax of Henlius USA Inc. incorporated in the United State and Henlius Industrial Co., Limited incorporated in Hong Kong is based on the statutory rates of 29.84% and 8.25% (six months ended 30 June 2023: 29.84% and 8.25%, respectively), respectively, for the six months ended 30 June 2024.

Taxes on profits assessable elsewhere have been calculated at the tax rates prevailing in the jurisdictions in which the Group operates.

	2024	2023 RMB'000 (Unaudited)
Current – Chinese Mainland	**9,417**	3,956
Total tax charge for the period	**9,417**	3,956

	2024	2023 RMB'000 (Unaudited)
Carrying value at beginning of the period (audited)	**2,237,768**	1,817,449
Additions	**168,829**	270,346
Disposals		(51)
Depreciation charge		(68,456)
Exchange alignment	**244**	1,663
Carrying value at end of the period (unaudited)	**2,319,676**	2,020,951

As at 30 June 2024, the Group's property, plant and equipment with a carrying amount of RMB1,033,164,000 (31 December 2023: RMB907,539,000) was pledged as security for the Group's interest-bearing bank and other borrowings, as further detailed in note 16 to financial information.

	2024	2023 RMB'000 (Unaudited)
Carrying value at beginning of the period (audited)	**4,510,729**	4,332,283
Additions	**377,309**	130,583
Amortisation charge		(68,221)
Exchange alignment	**1**	2
Carrying value at end of the period (unaudited)	**4,819,859**	4,394,647

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

		31 December 2023 RMB'000 (Audited)
Within 3 months	**743,906**	635,950
3 to 6 months	**195**	11,878
Total	**744,101**	647,828

			31 December 2023		
			Effective interest rate (%)	Maturity	RMB'000 (Audited)
Lease liabilities		**98,369**	3.53-6.28	2024	86,961
Bank borrowings – unsecured		**2,310,924**	2.80-3.86	2024	2,249,832
Current portion of long term bank borrowings – secured (Note (a))	**3.53**	**104,950**	3.53	2024	90,000
Current portion of long term bank borrowings – unsecured		**323,475**	3.65-4.05	2024	373,584
Subtotal		**2,837,718**			2,800,377
Lease liabilities		**165,102**	3.53-6.28	2025-2030	186,455
Bank borrowings – secured (Note (a))	**3.53**	**1,051,269**	3.53	2025-2030	1,106,219
Subtotal		**1,216,371**			1,292,674
Total		**4,054,089**			4,093,051

	31 December 2023 RMB'000 (Audited)	
Bank loans and other loans repayable:		
Within one year	**2,739,349**	2,713,416
In the second year	**176,000**	154,950
In the third to fifth years, inclusive	**799,490**	789,146
Beyond five years	**75,779**	162,123
	3,790,618	3,819,635

Within one year**2,739**

In the second year**2,739,349**789,966

Notes:

(a) Certain of the Group'

Notes:

(i) The Group granted exclusive licenses of the Group's certain biopharmaceutical products in the PRC to related parties after the Group obtained the market distribution authorisation of such products from government authorities. The Group received advance payments from the customers accordingly. The licensing revenue is recognised over the commercialise period. The transactions were carried out in accordance with the terms and conditions similar to those offered to unrelated customers in the ordinary course of business.

(ii) The services provided to related parties were carried out in accordance with the terms and conditions similar to those offered to unrelated customers in the ordinary course of business.

(iii) The sales of biopharmaceutical products to related parties were carried out in accordance with the terms and conditions similar to those offered to unrelated customers in the ordinary course of business.

(iv) The purchases from related parties were charged in accordance with terms and conditions offered by the related parties to their unrelated customers.

(v) Certain subsidiaries of the Group entered into rental agreements with related parties. The amounts of lease liabilities by the Group to the related parties under the leases were determined with reference to the amounts charged by third parties.

(vi) Shanghai Fosun High Technology Group Finance Co., Ltd., a fellow subsidiary of the Group, provides deposit services to subsidiaries of the Group, and the maturity date of deposits is from March 2025 to May 2025. These transactions will be on normal commercial terms and the parties will comply with the relevant requirements.

		31 December 2023 RMB'000 (Audited)
Amounts due from related parties		
Trade receivables		
Sinopharm	**306,912**	232,998
Jiangsu Fosun	**54,981**	92,732
Chongqing Pharma	**16,512**	11,409
Fosun Pharma Industrial Development	**–**	9,525
	378,405	346,664
Prepayments, other receivables and other assets		
Clone High Tech	**2,706**	2,706
Shanghai Fukun	**1,125**	1,125
Fosun Pharma	**711**	233
Others	**160**	108
	4,702	4,172
Other non-current assets		
Sinopharm	**296**	–
Others	**100**	12
	396	12
Amounts due to related parties		
Trade payables		
Sinopharm	**987**	85
Kai Mao Bio-pharma	**222**	109
Others	**3**	–
	1,212	194

			31 December 2023 RMB'000 (Audited)
Amounts due to related parties (continued)			
Other payables and accruals			
Fosun Pharma Industrial Development	(i)	**125,786**	–
Jiangsu Fosun		**9,846**	25,588
Clone High Tech		**2,155**	2,210
Shanghai Yunji		**520**	1,107
Shanghai Golte Property		**449**	474
Fosun Pharma		**392**	–
Fosun Trade		**350**	412
Shanghai Fukun		**253**	97
Shanghai Xingfu		**75**	211
Others		**121**	293
		139,947	30,392
Other long-term payable			
Fosun Pharma Industrial Development	(i)	**–**	125,786
Lease liabilities			
Clone High Tech		**73,883**	94,786
Shanghai Fukun		**6,078**	9,292
Chengdu Fudi		**144**	240
		80,105	104,318
Contract liabilities			
Fosun Pharma Industrial Development		**703,802**	789,199
Jiangsu Wanbang		**82,286**	82,286
Sinopharm		**82,119**	98,352
Chongqing Pharma		**4,272**	6,096
Starmab Biotechnology		**255**	255
Suzhou Otovia Therapeutics		**–**	107
		872,734	976,295

Note:

(i) 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 in tIndus00B5 ((was amen25(n

On 24 June 2024, Shanghai Fosun New Medicine Research Co., Ltd. (formly known as "Shanghai Fosun New Medicine Research Company Limited") (the "Offeror", the indirect wholly-owned subsidiary of Fosun Pharma), Fosun Pharma and the Company jointly announced the proposed pre-conditional privatisation of the Company by the Offeror by way of merger by absorption of the Company and the proposed withdrawal of listing of the Company from the Hong Kong Stock Exchange. Since the publication of the announcement, steps have been taken in relation to the fulfilment of the pre-conditions by the Company. As of the date of the approval of the interim condensed consolidated financial information, the privatisation has not been completed.

As further explained in note 14 to the financial information, "Proceeds received from disposal of investments" amounting to RMB134,984,000 in the consolidated statement of cash flow for the six months ended 30 June 2023 was reclassified to "Cash repaid from a third party".

The interim condensed consolidated financial information was approved and authorised for issue by the board of directors on 26 August 2024.

The Group's results for the six months ended 30 June 2024 and the financial position of the Group as at 30 June 2024 are set out in the interim condensed consolidated financial statements and the accompanying notes on pages 30 to 52. The Board has not recommended the distribution of any interim dividend for the Reporting Period.

During the Reporting Period, neither the Company nor any of its subsidiaries have purchased, sold or redeemed any of the Company's listed securities (including sales of treasury shares). As at 30 June 2024, the Company did not hold any treasury shares.

As at 30 June 2024, none of the Directors/Supervisors and chief executives of the Company has short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO). The interest or long positions of Directors/Supervisors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise should be notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

Jun Zhu (朱俊)[1]	Interest in controlled entity	H Shares	50,000	0.03%	0.01%

Wenjie Zhang[2]	Fosun International	Beneficial owner	Share Option	200,000	0.00%
Qiyu Chen	Fosun International	Beneficial owner	Ordinary Shares	17,930,400	0.22%
	Fosun International	Beneficial owner	Share Option	18,450,000	0.23%
	Fosun Pharma	Beneficial owner	A Shares	114,075	0.01%
	Fosun Tourism Group	Beneficial owner	Ordinary Shares	501,478	0.04%
Yifang Wu	Fosun Pharma	Beneficial owner	H Shares	373,000	0.07%
	Fosun Pharma	Beneficial owner	A Shares	1,007,100	0.05%
	Fosun International	Beneficial owner	Ordinary Shares	360,000	0.00%
	Fosun International	Beneficial owner	Share Option	400,000	0.00%
Xiaohui Guan	Fosun International	Beneficial owner	Ordinary Shares	200,000	0.00%
	Fosun International	Beneficial owner	Share Option	1,200,000	0.01%
	Fosun Pharma	Beneficial owner	A Shares	393,100	0.02%
	Fosun Pharma	Beneficial owner	H Shares	25,000	0.00%
Deyong Wen	Fosun Pharma	Beneficial owner	A Shares	207,100	0.01%
	Fosun Pharma	Beneficial owner	H Shares	20,000	0.00%
Rongli Feng	Fosun Pharma	Beneficial owner	A Shares	113,500	0.01%
Deli Kong	Fosun Pharma	Beneficial owner	A Shares	27,200	0.00%

		H Shares	32,331,100	19.78%	5.95%
FHL[5]	Interest in controlled entity	Unlisted Shares	291,365,387	76.66%	53.61%
		H Shares	32,331,100	19.78%	5.95%
FIHL[6]	Interest in controlled entity	Unlisted Shares	291,365,387	76.66%	53.61%
		H Shares	32,331,100	19.78%	5.95%
Guangchang Guo[7]	Interest in controlled entity	Unlisted Shares	291,365,387	76.66%	53.61%
		H Shares	32,331,100	19.78%	5.95%
Fosun Industrial	Beneficial owner	H Shares	32,331,100	19.78%	5.95%
Al Rayyan Holding LLC	Beneficial owner	H Shares	11,370,960	6.96%	2.09%
Qatar Holding LLC[8]	Interest in controlled entity	H Shares	11,370,960	6.96%	2.09%
Qatar Investment Authority[8]	Interest in controlled entity	H Shares	11,370,960	6.96%	2.09%
DIC Holding LLC	Beneficial owner	H Shares	1,684,899	1.03%	0.31%
Qatar Investment Authority (in the capacity of investment manager of DIC Holding LLC)[9]	Interest in controlled entity	H Shares	1,684,899	1.03%	0.31%
Cayman Henlius[10]	Beneficial owner	H Shares	43,756,960	26.77%	8.05%
Wei-Dong Jiang[11]	Beneficial owner	H Shares	720,955	0.44%	0.13%
	Interest in controlled entity	H Shares	43,756,960	26.77%	8.05%
Scott Shi-Kau Liu[12]	Beneficial owner	H Shares	2,410,695	1.48%	0.44%
	Interest in controlled entity	H Shares	43,756,960	26.77%	8.05%

Notes:

(1) As at 30 June 2024, Fosun New Medicine was wholly owned by Fosun Pharma Industrial Development. Fosun Pharma Industrial Development was deemed to be interested in the Unlisted Shares which Fosun New Medicine was interested in.

(2) As of 30 June 2024, Fosun Pharma Industrial Development and Fosun Industrial were wholly owned by Fosun Pharma. Fosun Pharma was deemed to be interested in the Unlisted Shares and H Shares which Fosun Pharma Industrial Development and Fosun Industrial were interested in.

(3) As at 30 June 2024, Fosun High Tech held approximately 35.84% of the shares in Fosun Pharma. Fosun High Tech was deemed to be interested in the Unlisted Shares and H Shares which Fosun Pharma was interested in.

(4) As at 30 June 2024, Fosun High Tech was wholly owned by Fosun International. In addition, Fosun International held approximately 0.22% of the shares in Fosun Pharma. Fosun International was deemed to be interested in the Unlisted Shares and H Shares which Fosun High Tech and Fosun Pharma were interested in.

(5) As at 30 June 2024, FHL directly held approximately 73.35% of the shares in Fosun International. FHL was deemed to be interested in the Unlisted Shares and H Shares which Fosun International was interested in.

(6) As at 30 June 2024, FHL was wholly owned by FIHL. FIHL was deemed to be interested in the Unlisted Shares and H Shares which FHL was interested in.

(7) As at 30 June 2024, Mr. Guangchang Guo held approximately 85.29% of the shares in FIHL. Mr. Guangchang Guo was deemed to be interested in the Unlisted Shares and H Shares which FIHL was interested in.

(8) As at 30 June 2024, Al Rayyan Holding LLC was wholly owned by Qatar Holding LLC, which was wholly owned by Qatar Investment Authority. Qatar Holding LLC and Qatar Investment Authority were deemed to be interested in the H Shares which Al Rayyan Holding LLC was interested in.

(9) As at 30 June 2024, DIC Holding LLC was wholly owned by Qatar Investment Authority (in the capacity of investment manager of DIC Holding LLC). Qatar Investment Authority (in the capacity of investment manager of DIC Holding LLC) was deemed to be interested in the H Shares which DIC Holding LLC was interested in.

(10) As at 30 June 2024, Cayman Henlius was held by Dr. Scott Shi-Kau Liu and Dr. Wei-Dong Jiang as to approximately 64.20% and 35.80% of the total equity interests, respectively.

(11) As at 30 June 2024, s to-3.3. Wei-Don (Jians helo approximately)-0.6d 35.80 (of)0.5 (ths(Shared i (Cayma (Henli.4, s to-3.3. Wei-Don (Jian) was deem

The Company adopted the 2018 Share Award Scheme effective on 14 April 2018 for the purpose of promoting the establishment of a sound and effective incentive mechanism to fully motivate the employees of the Group, effectively align the interests of the

The table below sets out the arrangement in relation to the release of the restrictions on the Shares indirectly held by the 2018

The table below sets out the arrangement in relation to the release of the restrictions on the Shares indirectly held by the 2020 Participants in tranches:

Category I Participants	First tranche	30 April 2021	60%	The conditions for releasing the restrictions comprised two parts, namely (1) the Company achieving certain milestones in respect of its research and development status, revenue and the construction progress of manufacturing facilities to be determined at the discretion of the Board, and (2) the 2020 Participants passing annual performance review. The percentage of shares in respect of which the conditions may be released will depend on the achievement level of those conditions. In relation to the shares in respect of which the restrictions have been released, such shares can only be transferred after the date of release of such restrictions.
	Second tranche	30 April 2022	20%	
	Third tranche	30 April 2023	20%	
Category II Participants	First tranche	30 April 2021	20%	
	Second tranche	30 April 2022	25%	
	Third tranche	30 April 2023	55%	

The 2020 Share Award Scheme shall be valid from the Date of 2020 Grant to the date on which all Shares indirectly held by the 2020 Participants have been unlocked or otherwise repurchased and cancelled.

All Shares granted under the 2018 Share Award Scheme and 2020 Share Award Scheme were fully vested in 2023. There were no ungranted or unvested Shares during the Reporting Period.

In this interim 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 and as amended in December 2020
"2020 Share Award Scheme"	the share award scheme adopted pursuant to the operating procedure of the 2020 employee equity incentive scheme
"Abbott"	Abbott Operations Uruguay S.R.L.
"Accord"	Accord Healthcare Limited
"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
"Company" or "Henlius"	Shanghai Henlius Biotech, Inc., a joint stock company incorporated under the laws of the PRC with limited liability, the H Shares of which are listed on the Main Board of the Stock Exchange
"CSCO"	Chinese Society of Clinical Oncology
"Director(s)"	the director(s) of the Company
"EMA"	European Medicines Agency
"EU"	European Union
"Eurofarma"	Eurofarma Laboratorios S.A.
"FDA"	the United States Food and Drug Administration
"FHL"	Fosun Holdings Limited (復星控股有限公司), a company incorporated in Hong Kong on 18 February 2005 with limited liability, and a controlling shareholder
"FIHL"	Fosun International Holdings Ltd. (復星國際控股有限公司), a company incorporated in the British Virgin Islands on 9 September 2004 with limited liability, and a controlling shareholder
"Fosun High Tech"	Shanghai Fosun High Technology (Group) Co., Ltd.* (上海復星高科技(集團)有限公司), a company incorporated in the PRC on 8 March 2005, and a controlling shareholder
"Fosun Industrial"	Fosun Industrial Co., Limited (復星實業(香港)有限公司), a company incorporated in Hong Kong on 22 September 2004 with limited liability

"Fosun International"	Fosun International Limited (復星國際有限公司), a company incorporated in Hong Kong on 24 December 2004 with limited liability, the shares of which are listed on the Main Board of the Stock Exchange, and a controlling shareholder
"Fosun New Medicine"	Shanghai Fosun New Medicine Research Co., Ltd.* (上海復星新藥研究股份有限公司) (formerly known as "Shanghai Fosun New Medicine Research Company Limited"* (上海復星新藥研究有限公司)), a company incorporated in the PRC on 12 September 2008 with limited liability, and a controlling shareholder
"Fosun Pharma"	Shanghai Fosun Pharmaceutical (Group) Co., Ltd.* (上海復星醫藥(集團)股份有限公司), a joint stock company established in the PRC, the H shares and A shares of which are listed and traded on the Main Board of the Stock Exchange and the Shanghai Stock Exchange, respectively, and a controlling shareholder
"Fosun Pharma Industrial Development"	Shanghai Fosun Pharmaceutical Industrial Development Company Limited (上海復星醫藥產業發展有限公司), a company incorporated in the PRC on 27 November 2001 with limited liability, a wholly-owned subsidiary of Fosun Pharma, and a controlling shareholder
"Global Offering"	the global offering comprises the Hong Kong public offering of 6,469,600 H Shares as well as the international offering of 58,225,800 H Shares initially available for subscription and 4,366,400 H Shares pursuant to the partial exercise of the over-allotment option
"GMP"	good manufacturing practice
"Group", "we", "our" or "us"	the Company and its subsidiaries
"H Share(s)"	overseas listed foreign share(s) in the Company's ordinary share capital, with a nominal value of RMB1.00 each, which were listed on the Stock Exchange and traded in Hong Kong dollars
"HenLink"	HenLink, Inc., a company incorporated in the Cayman Islands on 15 August 2014 and a Shareholder whose beneficial owners are certain employees of the Group
"Henlius Pharmaceutical Trading"	Shanghai Henlius Pharmaceutical Trading Co., Ltd.* (上海復宏漢霖醫藥貿易有限公司) (formerly known as "Shanghai Baodao Hongshun Pharmaceutical Trading Co., Ltd."* (上海寶島宏順醫藥貿易有限公司)), a wholly-owned subsidiary of the Company
"HK$ or "Hong Kong dollars"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong Stock Exchange" or the "Stock Exchange"	The Stock Exchange of Hong Kong Limited
"IFRSs"	International Financial Reporting Standards
"IND"	investigational new drug or investigational new drug application, also known as clinical trial application in China

"Jiangsu Fosun"	Fosun Pharmaceutical Distribution (Jiangsu) Co., Ltd.* (江蘇復星醫藥銷售有限公司), 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.* (江蘇萬邦生化醫藥集團有限責任公司), a company incorporated in the PRC with limited liability, and a wholly-owned subsidiary of Fosun Pharma
"Latest Practicable Date"	18 September 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 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 to 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 interim report only, except where the context requires, references in this interim report to PRC, China or Mainland China exclude Hong Kong, Macau and Taiwan Regions
"R&D"	research and development
"Reporting Period"	the six months ended 30 June 2024
"Restricted Interests"	Listing Rules"Listing Rules" re(s)5 0.3.83six months ended 30 Jclu42024

"Songjiang First Plant"	the Company's manufacturing facility at Guangfu Lin Road of the Songjiang District of Shanghai
"Songjiang Second Plant"	Henlius Biotech Biopharmaceutical Industrialization Base II, the Company's manufacturing facility with total planned area of 200 acres currently under construction in the Songjiang District of Shanghai
"Supervisor(s)"	the supervisors(s) of the Company
"U. S." or "United States"	the United States of America, its territories and possessions, any state of the United States and the District of Columbia
"USD"	U.S. Dollars, the lawful currency of the U.S.
"Unlisted Shares"	ordinary shares with nominal value of RMB1.00 each in the share capital of the Company, which are not listed on any stock exchange
"Xuhui Facility"	the Company's manufacturing facility at Yishan Road of the Xuhui District of Shanghai

In this interim report, if there is any inconsistency between the Chinese names of the entities, authorities, organisations, institutions or enterprises established in China or the awards or certificate given in China and their English translations, the Chinese version shall prevail.

* *For identification purpose only*