SciClone Pharmaceuticals (Holdings) Limited

賽生藥業控股有限公司 *

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 6600)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED JUNE 30, 2021

The board of directors (the "**Board**") of SciClone Pharmaceuticals (Holdings) Limited (the "**Company**") is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (the "**Group**" or "**we**") for the six months ended June 30, 2021 (the "**Reporting Period**"). These interim results have been reviewed by the Company's Auditor in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". In addition, the results have also been reviewed by the Company's Audit Committee.

HIGHLIGHTS

Financial Highlights

For the six months ended June 30, 2021, the Group recorded the following results:

- **Revenue** was approximately RMB1,331.3 million, representing an increase of approximately 14.7% over the same period last year;
- **Gross profit** grew by approximately 13.0% to approximately RMB1,045.9 million from approximately RMB925.8 million for the six months ended June 30, 2020;
- **Net profit** was approximately RMB622.7 million, reperesenting an increase of 4.3% over the same period last year;
- **Basic earnings per share** attributable to owners of the Company were approximately RMB0.99, approximately 10.4% lower than that of the same period last year;
- **Diluted earnings per share** attributable to owners of the Company were approximately RMB0.92, approximately 16.4% lower than that of the same period last year;
- The lower basic and diluted earnings per share were primarily due to issuance of new shares when the Company was listed on the Main Board of the Stock Exchange on March 3, 2021;

* *For identification purpose only*

Business Highlights

— **Marketed products achieved strong growth:**

- Revenue from sales of our proprietary product Zadaxin increased by RMB99.7 million, or 9.9% to RMB1,102.3 million for the six months ended June 30, 2021, despite the high base of Zadaxin sales for the prevention and clinical treatment of COVID-19 in China for the six months ended June 30, 2020;

- We completed the transfer of Import Drug License (the "**IDL**") for Zometa and became the Marketing Authorization Holder (the "**MAH**") of Zometa in China in January 2021. Total product revenue of Zometa from the provinces in which registered distributor had been converted from Novartis to the Company was RMB54.2 million for the six months ended June 30, 2021 while it was nil in the same period last year. The conversion of distributor was still in progress during the Reporting Period.

— **Pipeline products reached several development milestones:**

- In January 2021, we obtained the approval for commercialization of Oravig in China from the National Medical Products Administration of China (the "**NMPA**"). The Company is in preparation of Oravig's official launch in Q3 2021;

- In March 2021, the Company submitted investigation new drug ("**IND**") application of RRx-001 Multi-Regional Clinical Trials ("**MRCT**") Phase III study in the third line and beyond small cell lung cancer ("**SCLC**") in China to the NMPA and subsequent to the Reporting Period, the Company has obtained the IND approval from the NMPA in July 2021;

- In April 2021, our partner Y-mAbs Therapeutics, Inc. submitted its Marketing Authorization Application ("**MAA**") to the Europe Medicines Agency (the "**EMA**") for omburtamab for the treatment of pediatric patients with CNS/leptomeningeal metastasis from neuroblastoma.

- In June 2021, the Company had the pilot launch of DANYELZA®(naxitamab) for the treatment of patients with relapsed/refractory high-risk neuroblastoma in Hainan Bo'Ao Lecheng International Medical Tourism Piolt Zone;

- Subsequent to the Reporting Period, the NMPA has accepted our submission of Biologics License Application ("**BLA**") for DANYELZA®(naxitamab) in July 2021. The first prescription of DANYELZA®(naxitamab) was issued in early August 2021.

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CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Notes	Six months ended June 30, 2021 RMB'000	2020 RMB'000
Revenue	2	**1,331,316**	1,160,982
Cost of revenue		**(285,377)**	(235,184)
Gross profit		**1,045,939**	925,798
Sales and marketing expenses		**(251,281)**	(169,958)
Administrative expenses		**(88,187)**	(69,565)
Research and development ("**R&D**") expenses		**(39,507)**	(29,967)
Other income		**38,136**	29,964
Other expenses		**(16,478)**	(35,206)
Other gains/(losses) — net		**9,852**	(1,973)
Operating profit		**698,474**	649,093
Finance income		**3,136**	6,728
Finance costs		**(22,310)**	(2,832)
Finance (cost)/income, net		**(19,174)**	3,896
Profit before income tax		**679,300**	652,989
Income tax expense	3	**(56,599)**	(55,879)
Profit for the period attributable to owners of the Company		**622,701**	597,110
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Changes in the fair value of equity investments at fair value through other comprehensive income ("**FVOCI**")		**4,331**	141,849
Currency translation differences of the Company		**(37,856)**	—
Items that may be subsequently reclassified to profit or loss			
Currency translation differences of the Company's subsidiaries		**39,711**	28,428
Total comprehensive income for the period		**628,887**	767,387
Total comprehensive income attributable to:			
Owners of the Company		**628,887**	767,387
Earnings per share attributable to owners of the Company (RMB)	5		
Basic earnings per share		**0.99**	1.10
Diluted earnings per share		**0.92**	1.10

CONSOLIDATED BALANCE SHEETS

	Notes	**As at June 30, 2021** ***RMB'000***	As at December 31, 2020 *RMB'000*
Assets			
Non-current assets			
Right-of-use assets		**22,750**	8,810
Property, plant and equipment		**3,865**	5,454
Intangible assets	6	**610,232**	652,691
Financial assets at fair value through profit or loss ("**FVPL**")		**54,996**	55,936
Financial assets at FVOCI		**234,361**	232,352
Deferred tax assets		**11,388**	13,336
Other assets		**5,040**	5,151
		942,632	973,730
Current assets			
Inventories		**146,128**	171,585
Trade receivables	7	**679,197**	324,791
Other current assets		**90,386**	60,416
Financial assets at FVPL		**171,000**	70,013
Cash and cash equivalents		**1,823,053**	1,118,986
Restricted cash		**—**	163,123
		2,909,764	1,908,914
Total assets		**3,852,396**	2,882,644
Equity and liabilities			
Liabilities			
Non-current liabilities			
Borrowings		**1,159,855**	1,171,489
Deferred tax liabilities		**11,054**	9,258
Lease liabilities		**12,515**	2,070
Other non-current liabilities		**191**	194
		1,183,615	1,183,011

CONSOLIDATED BALANCE SHEETS (CONTINUED)

	Notes	**As at June 30, 2021** ***RMB'000***	As at December 31, 2020 *RMB'000*
Current liabilities			
Trade and other payables	8	**250,236**	514,098
Lease liabilities		**10,509**	6,402
Borrowings		**387,606**	782,988
Current tax liabilities		**91,422**	84,283
		739,773	1,387,771
Total liabilities		**1,923,388**	2,570,782
Net assets		**1,929,008**	311,862
Equity attributable to owners of the Company			
Share capital		**229**	192
Share premium		**1,727,026**	—
Other reserves		**201,753**	162,673
Retained earnings		**—**	148,997
Total equity		**1,929,008**	311,862

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

The consolidated interim financial information for the six months ended June 30, 2021 has been prepared in accordance with Accounting Standard IAS 34 "Interim Financial Reporting". The consolidated interim financial information has been prepared on an accrual basis and under the historical cost convention, as modified by the revaluation of financial assets at FVPL or FVOCI which are carried at fair value. The consolidated interim financial information should be read in conjunction with the consolidated financial statements for the year ended December 31, 2020, which have been prepared in accordance with International Financial Reporting Standards ("**IFRS**").

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies.

The Group's accounting policies applied in preparing the consolidated interim financial information are consistent with those policies applied in preparing the consolidated financial statements for the year ended December 31, 2020.

Taxes on income in the six months ended June 30, 2021 and 2020 are accrued using the tax rate that would be applicable to expected total annual profits.

Inter-company transactions, balances and unrealized gains/losses on transactions between group companies are eliminated on consolidation.

— *New and amended standards adopted by the Group*

The Group has applied the following amendments for the first time for their annual reporting period commencing January 1, 2021:

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	Interest rate benchmark (IBOR) reform — phase 2

The amendments listed above did not have any impact on the amounts recognized in prior periods and are not expected to significantly affect the current or future periods.

— *New standards and interpretations not yet adopted*

Standards and amendments that have been issued but not yet effective and not been early adopted by the Group are as follows:

Standards	Effective for annual periods beginning on or after
IFRS 17, "Insurance Contracts"	January 1, 2023
Amendments to IFRS 10 and IAS 28, "Sale or Contribution of Assets between An Investor and Its Associate or Joint Venture"	To be determined
Amendments to IAS 1, "Classification of Liabilities as Current and Non-current"	January 1, 2023
Amendments to IAS 1 and IFRS Practise Statement 2, "Disclosure of Accounting Policies"	January 1, 2023
Amendments to IAS 8, "Definition of Accounting Estimates"	January 1, 2023
Amendments to IFRS 3, "Reference to the Conceptual Framework"	January 1, 2022
Amendments to IAS 37, "Onerous Contracts — Cost of Fulfilling a Contract"	January 1, 2022
Annual improvements to IFRS standards 2018–2020	January 1, 2022
Amendment to IAS 16, "Property, Plant and Equipment: Proceeds before intended use"	January 1, 2022

None of these new standards and amendments is expected to have a significant impact on the Group's consolidated financial statements when they become effective.

2. REVENUE

	Six months ended June 30,	
	2021	2020
	RMB'000	*RMB'000*
Recognized at a point in time		
— Product sales	**1,331,316**	1,160,982

3. INCOME TAX EXPENSE

The income tax expense of the Group are analyzed as follows:

	Six months ended June 30,	
	2021	2020
	RMB'000	*RMB'000*
Current income tax	**52,854**	53,879
Deferred income tax	**3,745**	2,000
Income tax expense	**56,599**	55,879

The Company and some of its subsidiaries are incorporated in the Cayman Islands as exempted companies with limited liability under the Companies Act of the Cayman Islands and accordingly, are exempted from Cayman Islands income tax.

Entities incorporated in Hong Kong are subject to a two-tiered profits tax regime, under which the tax rate is 8.25% for assessable profits in the first HKD2 million and 16.5% for any assessable profits in excess.

The income tax provision of the Company's subsidiaries established in China was calculated at tax rate of 25% (Six months ended June 30, 2020: 25%) on the assessable profits for the periods presented, based on the existing legislation, interpretations and practices in respect thereof.

According to the applicable PRC tax regulations, dividends distributed by a company established in the PRC to a foreign investor with respect to profits derived after January 1, 2008 are generally subject to a 5% or 10% withholding income tax, depending on the country incorporation of the foreign investors. The Group has recognized deferred tax liabilities at 5% withholding tax rate for undistributed profits of its subsidiaries in the PRC in accordance with the double taxation treaty arrangement between the PRC and Hong Kong.

4. DIVIDENDS

	Six months ended June 30,	
	2021	2020
	RMB'000	*RMB'000*
Dividends payable at beginning of the period	**52,199**	—
Declaration of dividends during the period	**776,520**	2,230,394
Dividends paid during the period	**(827,303)**	(2,173,758)
Exchange differences	**(1,416)**	—
Dividends payable at end of the period	**—**	56,636

In February 2021, the Company declared dividends of RMB776,520,000 to then shareholders of the Company. The Company fully paid such dividends on March 2, 2021, the date before its listing on the Main Board of the Stock Exchange.

5. EARNINGS PER SHARE

(a) Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the respective period.

	Six months ended June 30,	
	2021	2020
	RMB'000	*RMB'000*
Profit for the period attributable to owners of the Company	**622,701**	597,110
Weighted average number of ordinary shares in issue (thousand shares)	**632,096**	543,136
Basic earnings per share (expressed in RMB per share)	**0.99**	1.10

(b) Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assumed conversion of all dilutive potential ordinary shares. For the six months ended June 30, 2021 and 2020, diluted earnings per share was calculated by considering the ordinary shares issuable upon the exercise of outstanding share options (using the treasury stock method).

	Six months ended June 30,	
	2021	2020
	RMB'000	*RMB'000*
Profit for the period attributable to owners of the Company	**622,701**	597,110
Weighted average number of ordinary shares in issue (thousand shares)	**632,096**	543,136
Diluted impact of share option	**45,182**	1,042
Weighted average number of ordinary shares for diluted earnings per share (thousand shares)	**677,278**	544,178
Diluted earnings per share	**0.92**	1.10

6. INTANGIBLE ASSETS

	License *RMB'000*	Software *RMB'000*	Total *RMB'000*
At January 1, 2020			
Cost	170,381	12,981	183,362
Accumulated amortization	(5,302)	(8,809)	(14,111)
Net book amount	165,079	4,172	169,251
Six months ended June 30, 2020			
Opening net book amount	165,079	4,172	169,251
Exchange differences	2,232	27	2,259
Additions	453,088	1,266	454,354
Amortization charge	(39,220)	(796)	(40,016)
Closing net book amount	581,179	4,669	585,848
At June 30, 2020			
Cost	625,992	18,207	644,199
Accumulated amortization	(44,813)	(13,538)	(58,351)
Net book amount	581,179	4,669	585,848
At January 1, 2021			
Cost	**753,239**	**14,360**	**767,599**
Accumulated amortization	**(84,171)**	**(11,162)**	**(95,333)**
Impairment losses	**(19,575)**	**—**	**(19,575)**
Net book amount	**649,493**	**3,198**	**652,691**
Six months ended June 30, 2021			
Opening net book amount	**649,493**	**3,198**	**652,691**
Exchange differences	**(6,450)**	**(90)**	**(6,540)**
Additions	**6,460**	**2,455**	**8,915**
Amortization charge	**(43,132)**	**(1,702)**	**(44,834)**
Closing net book amount	**606,371**	**3,861**	**610,232**
At June 30, 2021			
Cost	**752,106**	**16,725**	**768,831**
Accumulated amortization	**(126,355)**	**(12,864)**	**(139,219)**
Impairment losses	**(19,380)**	**—**	**(19,380)**
Net book amount	**606,371**	**3,861**	**610,232**

7. TRADE RECEIVABLES

	As at June 30, 2021	As at December 31, 2020
	RMB'000	*RMB'000*
Trade receivables	**679,197**	324,791
Less: allowance for impairment of trade receivables	**—**	—
Trade receivables — net	**679,197**	324,791

(a) Aging analysis of trade receivables based on the invoice date is as follows:

	As at June 30, 2021	As at December 31, 2020
	RMB'000	*RMB'000*
Up to 6 months	**679,197**	307,824
6 to 12 months	**—**	914
More than one year	**—**	16,053
	679,197	324,791

The Group's trade receivables are generally collectible within 180 days from the invoice date. No interest is charged on the trade receivables.

(b) Trade receivables were denominated in following currencies:

	As at June 30, 2021	As at December 31, 2020
	RMB'000	*RMB'000*
RMB	**678,409**	323,766
USD	**191**	422
HKD	**597**	603
	679,197	324,791

(c) The Group applies the IFRS 9 simplified approach to measuring expected credit losses of trade receivables, which requires expected lifetime losses to be recognized from initial recognition. The expected loss rates are based on the payment profiles of related customers and the corresponding historical credit losses. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

As at June 30, 2021, the expected credit loss was minimal as these receivables had no history of default, most amount of trade receivables were subsequently settled, and there was no unfavorable current condition and forecast future economic condition identified. The Group considered the impact of COVID-19 and incorporated related forward-looking factors to measure expected credit losses as at June 30, 2021 and determined that the expected credit loss remained to be minimal as at June 30, 2021.

8. TRADE AND OTHER PAYABLES

	As at June 30, 2021	As at December 31, 2020
	RMB'000	*RMB'000*
Trade payables (a)	**76,152**	57,546
Payables for marketing and promotion expenses	**80,787**	78,340
Salaries and bonus payable	**44,862**	81,214
Payables for professional service fee	**17,160**	15,216
Payables for listing expenses	**—**	26,790
Payables for purchase of a license	**—**	163,123
Dividends payable	**—**	52,199
Others	**31,275**	39,670
	250,236	514,098

(a) Aging analysis of the trade payables based on invoice date at the respective balances sheet dates are as follows:

	As at June 30, 2021	As at December 31, 2020
	RMB'000	*RMB'000*
Less than 1 year	**76,152**	57,546

FINANCIAL HIGHLIGHTS

China's GDP grew by 12.7% in the first half of 2021, which suggested that the economy has rebounded well from the pandemic-induced disruption. Growing support from regulations on innovation, continued rise in household incomes, the trend of internet healthcare service and increased personal awareness of medication, created a bright outlook of pharmaceutical industry. Despite there were still challenges, risks and uncertainties, we managed to take advantage of the macro environment and well implement our strategies. Our sales of products maintained a strong growth momentum, our novel pipeline drug DANYELZA®(naxitamab) achieved faster time to market, and our innovative "Go-to-Patient" model continued to thrive.

Our revenue grew to RMB1,331.3 million for the six months ended June 30, 2021 from RMB1,161.0 million for the same period last year, representing a year-on-year increase of 14.7%. Our gross profit grew to RMB1,045.9 million for the six months ended June 30, 2021 from RMB925.8 million for the same period last year, representing a year-on-year increase of 13.0%. Our profit for the period attributable to owners of the Company was RMB622.7 million for the six months ended June 30, 2021, as compared with RMB597.1 million for the same period last year.

BUSINESS REVIEW

We are a biopharmaceutical company with an integrated platform for product development and commercialization. We strategically focus on some of the largest and fast-growing therapeutic areas with significant unmet medical needs in China, primarily including oncology and severe infection.

Leveraging our integrated platform, we have established a balanced product portfolio focusing on high potential therapeutic areas, led by marketed products with strong cash generation ability through effective lifecycle management, and supported by an innovative pipeline with first-in-class/best-in-class potential to drive sustainable long-term growth.

Our Marketed Products

For the six months ended June 30, 2021, our marketed products comprised of (i) our proprietary product, Zadaxin; (ii) our in-licensed products; and (iii) promotion products on behalf of our business partners in China.

- ***Sales of our proprietary product, Zadaxin:***

  We developed Zadaxin in the early 1990s and obtained the approval for its sales in the China market in 1996. As the first branded thymalfasin drug in China, Zadaxin possesses the advantage of its strong brand recognition and product loyalty from the doctors and target patients, the majority of whom are self-paying or covered by private medica insurance. For the six months ended June 30, 2021, we generated our revenue primarily through the sales to Sinopharm in China, which has acted as our exclusive importer and distributor for Zadaxin in China for approximately 10 years. We have manufactured Zadaxin through our CMO partner, Patheon Italia with whom we have worked for decades.

With our effective lifecycle management and development of innovative "Go-To-Patient" model, sales of Zadaxin continued to achieve strong growth for the six months ended June 30, 2021, increasing by 9.9% to RMB1,102.3 million, despite the high base of Zadaxin sales for prevention and clinical treatment of COVID-19 in China for the six months ended June 30, 2020.

1) Lifecycle management:

Zadaxin's substainable growth is driven by our ongoing academic promotions to expand its clinical adoptions. In addition to official indications (for treatment of chronic hepatitis B and vaccine enhancement in patients with impaired immunity), Zadaxin has been included in treatment guidelines for the treatment of sepsis (2014), pancreatic cancer (2019 and 2020), liver cancer (2017, 2018 and 2019), and COVID-19 (2020). For the six months ended June 30, 2021, Zadaxin was listed as a drug for treatments of lymph cancer (2021) and TACE (2021) in the treatment guidelines issued by several professional associations including the Chinese Medical Association, the Chinese Society of Clinical Oncology and Chinese Medical Doctor Association.

As of the date of this announcement, we have more than 10 on-going clinical studies (randomized controlled trials "**RCT**" and real-world studies "**RWS**") in China and overseas, aiming to continue developing Zadaxin's clinical adoptions in oncology, severe infection, vaccine and other therapeutic areas to increase demand for Zadaxin. Among these clinical studies, RCT for sepsis in 1,106 patients and RCT for pancreatitis in 504 patients are expected to have data disclosure by the end of 2021.

2) "Go-To-Patient" (GTP) model:

Our innovative GTP model has contributed significantly to the sales growth of Zadaxin through its expansion into the retail channels. It has enhanced Zadaxin's accessibility to patients and maximum coverage of patients.

We continued to further develop our GTP model for the sales of Zadaxin. In April 2021, the Company started strategic cooperation with Shanghai SF Phamaceuticals Supply Chain Holdings Co., Ltd., a wholly-owned subsidiary of SF Group (SZ.002352) specializing in healthcare F2C one-stop supply chain solutions, to establish a more efficient supply chain linking F-end healthcare enterprises with C-end patient users and provide professional, efficient and safe end-to-end service. In May 2021, the Company also entered into a strategic cooperation with LinkDoc Techonology, a data-driven and AI empowered high-tech healthcare company, to build up a better patient service that combines innovative payment solutions with digital service. As of 30 June 2021, the number of DTP pharmacies supporting our sales of Zadaxin in China under GTP model was 827 (as of 31 December 2020: 590).

For the six months ended June 30, 2021, sales through GTP model contributed to more than 60% of our total sales volume of Zadaxin during the same period, as compared with approximately 53% for the six months ended June 30, 2020.

- ***Sales of our in-licensed products:***

  - ***Zometa:*** Zometa is our marketed in-licensed product indicated for the treatment of patients with multiple myeloma and patients with documented bone metastases from solid tumors, and hypercalcemia of malignancy. We completed the transfer of IDL for Zometa and became the MAH of Zometa in China in January 2021. Since then we have gradually converted the registered distributor from Novartis to the Company in various provinces and as of June 30, 2021, the conversion was still in progress in a significant province. Total product revenue of Zometa from those provinces in which conversion had been completed was RMB54.2 million for the six months ended June 30, 2021 while it was nil in the same period last year.

  - ***Angiomax:*** Angiomax is our in-licensed product indicated for use as antigoagulant in patients undergoing percutaneous coronary intervention, including patients with heparin-induced thrombocytopenia and thrombosis syndrome. We entered into an agreement with Huizheng (Shanghai) Pharmaceuticals Technology Co., Ltd. ("**Huizheng**") on August 31, 2020, under which we engaged Huizheng for the promotion and distribution of Angiomax in Mainland China. In December 2020, we sold certain units of Angiomax for promotion preparation. Angiomax was commercially launched in Q2 2021 with the first prescription issued on 28 May 2021. We expect to generate more revenue in the second half of 2021.

- ***Sales of promotion products on behalf of our business partners:*** In the first half of 2021, we continued to sell promotion products for our partner pharmaceutical companies, such as Pfizer and Baxter, as a promotor and distributor for such business partners. Revenue from sales of promotion products for business partners increased by RMB23.4 million, or 15.5% from RMB151.4 million for the same period last year to RMB174.8 million in the first half of 2021.

Our Product Development

In recent years, we started the development of a number of pipeline drug candidates through in-licensing model. We acquire licenses and get involved in the product development process from various stages, ranging from IND filing for some of our early-stage pipeline products, to pivotal clinical trials for some of our late-stage pipeline products.

Our efforts in product development have yielded a pipeline of potential drug candiates in different stages of development spanning our key therapeutic areas and also high-value/high-growth sectors: oncology and severe infection. As of June 30, 2021, we have built a portfolio of 8 pipeline drug candidates, 5 of which are in phase III or later stages overseas with a fast-to-market strategy in China, and 3 are in earlier stages of phase II clinical trials overseas or in China.

The following table summarizes the mechanism of action, indication(s)/clinical adoptions, and development status of our pipeline assets as of the date of this announcement.

Product Name	Mechanism of Action	Indication(s)/ Clinical Adoptions	Partner	Partner's Overseas Status	China Status
Late stage:					
Oravig	Lanosterol 14 α-demethylase inhibitor	Oropharyngeal candidiasis	Vectans Pharma (France)	Marketed	Obtained NMPA approval for commercialization in January 2021
Vibativ	Dual antibacterial activity on cell wall and cell membrane	HABP/VABP complicated skin and skin structure infections	Cumberland Pharmaceuticals (U.S.)	Marketed	Obtained IND and clinical trial waiver
DANYELZA® (naxitamab)	Targeting GD2	High risk neuroblastoma	Y-mAbs Therapeutics, Inc. (U.S.)	Obtained BLA from FDA in November 2020	Held pilot launch in Bo'Ao in June 2021; Submitted BLA to NMPA in July 2021
		Relapsed second-line osteosarcoma		US Phase II trial onging	—
Omburtamab	Targeting B7-H3 — expressing cells	CNS/leptomeningeal metastasis from neuroblastoma	Y-mAbs Therapeutics, Inc. (U.S.)	Submitted MAA to EMA in April 2021	—
RRx-001	Myc inhibitor and antagonist of CD47-SIRPα pathway	Small cell lung cancer	EpicentRx, Inc. (U.S.)	US Phase III trial onging	Obtained IND approval for Phase III study of 3rd line and beyond SCLC from NMPA in July 2021
		Colorectal cancer		US Phase II trial (+irinotecan) completed	—
Early stage:					
PEN-866	Mini-conjugate of HSP90-SN38	Solid tumors	Tarveda Therapeutics (U.S.)	US Phase II basket trial onging	—
PT-112	Platinum-containing compounds	Late stage prostate cancer	Phosplatin Therapeutics (U.S.)	US Phase II trial ongoing	Completed Phase I and initiated Phase II trial
		Cholangiocarcinoma		US Phase II trial (+gemicitabine) ongoing	
ABTL-0812	Akt/mTOR inhibitor	Endometrial/lung/pancreatic cancer	Ability Pharma (Spain)	EU Phase II trial ongoing	Obtained IND

- ***Milestones of several pipeline products:***

  - ***Oravig:*** Oravig is a miconazole buccal tablet pipeline drug candidate we in-licensed from Vectans Pharma, used to treat oropharyngeal candidiasis.

    Milestones during the Reporting Period

    We have obtained approval from the NMPA for Oravig's commercialization in China in January 2021.

    Post-Reporting Period (Expected) Milestones

    The Company is laying the groundwork for Oravig's commercial launch in Q3 2021. As Oravig has more potential demand from patients through retail channels, we intend to utilize our existing retail sales channels in our target markets and provide one-stop consultation and prescription services to the patients through our GTP model.

- ***Naxitamab:*** In December 2020, we in-licensed naxitamab from Y-mAbs Therapeutics, Inc. ("**Y-mAbs**"). It is used for the treatment of patients (one year of age and older, and adults) with relapsed/refractory high-risk neuroblastoma. Naxitamab was granted priority review, breakthrough therapy designation, and orphan drug designation, and received accelerated approval in the United States of America (the "**U.S.**") from the Food and Drug Administration (the "**FDA**") in November 2020. Y-mAbs is expanding naxitamab's indications such as relapsed second-line osteosarcoma (Phase II trial ongoing).

  Milestones during the Reporting Period

  In order to accelerate provision of this innovative therapy to pediatric patients in China prior to the NDA approval by the NMPA of China, the Company had pilot launch of naxitamab in Hainan Bo'Ao Lecheng International Medical Tourism Piolt Zone in June 2021.

  Post-Reporting Period Milestones

  In July 2021, the Company submitted BLA of Naxitamab to the NMPA in China, within just seven months after FDA's approval. The NMPA has already accepted our submission. BLA is subject to the NMPA's approval. In August 2021, the first prescription of naxitamab was issued in Hainan Bo'Ao.

- ***Omburtamab:*** Omburtamab is another pipeline drug candidate we in-licensed from Y-mAbs in December 2020, which is used to treat CNS/leptomeningeal metastasis from neuroblastoma. Other therapeutic areas under clinical trials by Y-mAbs include diffuse intrinsic pontine glioma (Phase I trial ongoing) and desmoplastic small round cell tumor (Phase II trial ongoing).

  Milestones during the Reporting Period

  In April 2021, our partner Y-mAbs submitted its MAA to the EMA in Europe for omburtamab for the treatment of pediatric patients with CNS/leptomeningeal metastasis from neuroblastoma.

  Post-Reporting Period (Expected) Milestones

  Y-mAbs aims to initiate resubmission of omburtamab BLA by the end of 2021.

- ***RRx-001:*** In June 2020, we in-licensed from EpicentRx, Inc. RRx-001, which was initially identified and sourced from the aerospace industry and has been developed by EpicentRx as a novel first-in-class therapy. RRx-001 is a well-tolerated next generation small molecule immunotherapeutic treating solid tumors. It has the potential to convert platinum-resistant tumors into platinum sensitive tumors and may have wide clinical adoptions as monotherapy or in combination with chemotherapy, immunotherapy, radiation and targeted agents.

Milestones during the Reporting Period

In March 2021, the Company submitted IND application of RRx-001 MRCT Phase III study in the 3rd line and beyond SCLC in China to the Center of Drug Evaluation (the "**CDE**") of the NMPA.

Post-Reporting Period Milestones

In July 2021, the Company has obtained the IND approval from the CDE.

Cautionary Statement required by Rule 18A.08(3) of the Listing Rules: The Company cannot guarantee that it will be able to develop, or ultimately market, any of the products in its pipeline successfully. Shareholders and potential investors of the Company are advised to exercise due care when dealing in the shares of the Company.

- ***Expansion of product development teams:***

  Our product development process is carried out through the joint efforts of the Business Development, Research & Development, and Regulatory Affair teams. The teams actively seek to develop and commercialize products focusing on targeted therapies, immunotherapy and enhanced chemotherapy options with first/best-in-class potential.

  In the first half of 2021, we continued to expand our product development teams. As of June 30, 2021, our product development teams grew to more than 90 people (As of December 31, 2020: 80).

Sales, Marketing and Distribution

As of June 30, 2021, our sales and marketing team comprised approximately 700 employees systematically deployed to cover approximately more than 2,000 hospitals in China and to capture the latest market dynamics, including approximately 460 employees assigned to the immunology business unit, approximately 200 employees in the oncology business unit and approximately 40 employees responsible for market access and commercial operations. Our sales and marketing team engages in offline and online marketing and promotional activities to generate market demand and build brand recognition for our proprietary, in-licensed (except for Angiomax), and promotion products.

We sell our proprietary, in-licensed, and promotion products through distributors to hospitals and pharmacies in China. Specifically, for our proprietary product, Zadaxin, we recognize revenue through sales to Sinopharm, which acts as our exclusive importer and distributor for Zadaxin in China. In compliance with the "two-invoice system", after our sales of Zadaxin to Sinopharm,

Sinopharm clears the products through customs of China as an imported drug and distributes further to hospitals and pharmacies. Sinopharm's distribution network of Zadaxin covered 31 provinces, municipalities and autonomous regions in China as of June 30, 2021. For Zadaxin's overseas sales, such as in South Korea, Thailand, Argentina, Italy, Combodia, we primarily rely on overseas partners to handle marketing, promotion, sales and distribution.

As for Zometa and 6 promotion products, we import and distribute them through our wholly-owned subsidiary SciClone Pharmaceuticals (Jiangsu) Co., Ltd. ("**SciClone Jiangsu**"). We recognize revenue of the sales of Zometa and promotion products to our distributors through the distribution network we manage. As for Angiomax, we recognize revenue of its sales to Huizheng.

Production and Quality Control

We manufacture our proprietary product, Zadaxin, and our in-licensed products, Angiomax, through Patheon Italia, an industry-leading, highly reputable CMO. We outsourced the production of Zometa to Novartis under the Supply Agreement with Novartis. Our production quality management standards remain complied with GMP in various markets where we have operations.

Impacts of Significant Policies with Respect to Pharmaceutical Industry

In the first half of 2021, a number of reform policies were issued in China pharmaceutical industry, and the volume-based procurement ("**VBP**") remained the most influential one for the operation of pharmaceutical companies. Thymalfasin was listed in the catalog for the fifth batch of VBP in April 2021. In June 2021, we participated in the fifth batch of VBP for thymalfasin with Zadaxin but Zadaxin did not win the bid. The bid was won by four generic thymalfasin drugs, produced by ShuangCheng Pharmaceuticals, Yangtze River Pharmaceuticals, Sinopep Allsino BioPharmaceutical Co., and Hanyu Pharmaceuticals, respectively. As a result, such four bid-winning generic thymalfasin will be procured by public hospitals and other public medical institutions with priority, enabling them to increase their market share. However, Zadaxin can still be prescribed by doctors at public hospitals and other public medical institutions for patients in compliance with relevant prescription regulations, or be purchased at pharmacies.

Zadaxin is the first branded thymalfasin drug approved in China in 1996. With the first mover advantage and proven efficacy, Zadaxin has been able to maintain strong brand recognition and product loyalty from the doctors and target patients, especially for its potential benefits in treating SARS and COVID-19. Most of the patients are self-paying or covered by private medica insurance. We expect Zadaxin continues to enjoy its competitive edge as we continue to diversify our sales through retail pharmacies, expand Zadaxin's clinical adoptions through life cycle management, and collaborate with commercial insurance companies and other innovative payment solutions providers to increase Zadaxin's insurance coverage. We believe our overall business, results of operations and financial conditions will not be materially affected by the exclusion of Zadaxin from the VBP.

	Six months ended June 30,			
	2021		2020	
	RMB million	*%*	*RMB million*	*%*
Revenue	**1,331.3**	**100.00**	1,161.0	100.0
Cost of revenue	**(285.4)**	**(21.4)**	(235.2)	(20.3)
Gross profit	**1,045.9**	**78.6**	925.8	79.7
Selling and marketing expenses	**(251.3)**	**(18.9)**	(170.0)	(14.6)
Administrative expenses	**(88.2)**	**(6.6)**	(69.6)	(6.0)
R&D expenses	**(39.5)**	**(3.0)**	(30.0)	(2.6)
Other income	**38.2**	**2.9**	30.0	2.6
Other expenses	**(16.5)**	**(1.2)**	(35.2)	(3.0)
Other gains/(losses), net	**9.9**	**0.7**	(1.9)	(0.2)
Operating profit	**698.5**	**52.5**	649.1	55.9
Finance income	**3.1**	**0.2**	6.7	0.6
Finance costs	**(22.3)**	**(1.7)**	(2.8)	(0.2)
Finance (costs)/income, net	**(19.2)**	**(1.4)**	3.9	0.4
Profit before income tax	**679.3**	**51.0**	653.0	56.3
Income tax expenses	**(56.6)**	**(4.3)**	(55.9)	(4.8)
Profit for the period attributable to owners of the Company	**622.7**	**46.8**	597.1	51.5

Revenue

	Six months ended June 30,			
	2021		2020	
	RMB million	*%*	*RMB million*	*%*
Proprietary product	**1,102.3**	**82.8**	1,002.6	86.4
In-licensed product	**54.2**	**4.1**	—	—
Promotion products for business partners	**174.8**	**13.1**	151.4	13.0
DC Bead	**—**	**—**	7.0	0.6
Total	**1,331.3**	**100.0**	1,161.0	100.0

For the six months ended June 30, 2021, revenue was approximately RMB1,331.3 million, representing an increase of approximately 14.7% over the same period last year. The growth was mainly contributed by Zadaxin and Zometa.

Proprietary product

Zadaxin is our proprietary product. The expansion of clinical adoptions through life cycle management, the increased recognition of clinical benefits from physicians and patients especially after COVID-19 pandemic, and the trend of online healthcare service through GTP model, fueled the sustainable growth of Zadaxin.

Revenue from sales of Zadaxin increased by RMB99.7 million, or 9.9% from RMB1,002.6 million for the same period last year to RMB1,102.3 million in the first half of 2021, despite the high base of Zadaxin sales for the prevention and clinical treatment of COVID-19 in China for the six month ended June 30, 2020.

In-licensed product

Zometa is our in-licensed product from Novartis. As authorized by Novartis, we began distributing Zometa as the importer and distributor in certain provinces in China since December 2020 and thereby started recording as part of revenue from our sales of Zometa. After completion of IDL transfer in January 2021, we became MAH of Zometa. We generated product revenue of RMB54.2 million for the six months ended June 30, 2021. During the Reporting Period, the coversion of distributor from Novartis to SciClone Jiangsu was still in progress and Zometa therefore was partially sold through the distribution network of Novartis. We recognized those sales by Novartis through profit transferred from Novartis in other income.

Promotion products for business partners

Our promotion products for business partners include Farlutal, Methotrexate, and Estracyt, which we promote and sell for Pfizer, and Holoxan, Mesna and Endoxan, which we promote and sell for Baxter. Revenue from sales of promotion products for business partners increased by RMB23.4 million, or 15.5% from RMB151.4 million for the same period last year to RMB174.8 million in the first half of 2021.

The increase reflected our efforts in sales and marketing activities to enhance brand recognition of our promotion products. During the Reporting Period, the number of hospital visits and operations by patients recovered from COVID-19 pandemic as many hospitals in China allocated significant resources to contain COVID-19 and patients suffering from other diseases generally avoid going to hospital to prevent being infected in the same period last year.

Cost of revenue

Our cost of revenue increased by 21.3% to RMB285.4 million in the first half of 2021 from RMB235.2 million for the same period last year. Among the increase of cost of revenue, the rise of product costs and freight costs (10.1% in total) generally followed the growth of sales of Zadaxin, Zometa and promotion products. The surge of amortization of intangible assets was resulted from Zometa's IDL transfer in January 2021. We started to recognize Zometa's partial amortization of intangible assets in the cost of revenue corresponding to our product revenue of Zometa, while we recorded the full amortization of RMB35.2 million in other expenses in the first half of 2020.

The following table sets forth our cost of revenue by amount, as a percentage of total cost of revenue and as a percentage of total revenues for the periods indicated:

	Six months ended June 30,					
	2021			2020		
	RMB million	***%***	***% of revenue***	*RMB million*	*%*	*% of revenue*
Product costs	**205.8**	**72.1**	**15.5**	192.7	82.0	16.6
Amortization of intangible assets	**26.7**	**9.3**	**2.0**	4.0	1.7	0.3
Freight costs	**31.0**	**10.9**	**2.3**	22.3	9.5	1.9
Others	**21.9**	**7.7**	**1.6**	16.2	6.8	1.5
Total	**285.4**	**100.0**	**21.4**	235.2	100.0	20.3

Gross Profit and Gross Margin

Our gross profit increased by RMB120.1 million, or 13.0%, to RMB1,045.9 million in the first half of 2021 from RMB925.8 million for the same period last year, and our gross margin decreased by 1.1% to 78.6% in the first half of 2021 from 79.7% for the same period last year, primarily resulted from a change of our product mix. During the Reporting Period, we generated top-line revenue from Zometa, while Zometa had lower gross margin compared with Zadaxin as it incurred amortization cost of intangible assets.

Selling and Marketing Expenses

Our selling and marketing expenses increased by 47.8% to RMB251.3 million in the first half of 2021 from RMB170.0 million for the same period last year, which was mainly due to: 1) the low base in the first half of 2020 when market development and business promotion activities were interrupted by the outbreak of COVID-19; 2) rise of employee benefits along with the expansion of our sales and marketing team. Promotion related expenses and employee benefits increased by RMB47.2 million and RMB31.6 million respectively.

General and Administrative Expenses

Our general and administrative expenses increased by 26.8% to RMB88.2 million in the first half of 2021 from RMB69.6 million for the same period last year, which was primarily attributable to the rise of employee benefit by RMB27.0 million resulted from the share-based compensation expenses. Such increase was in line with our strategy of talent acquisition and retention to support our business expansion.

Research and Development Expenses

Our research and development expenses increased by 31.8% to RMB39.5 million in the first half of 2021 from RMB30.0 million for the same period last year. With expansion of reseach and development team, employee benefit increased by 10.8%. In addition, in the first half of 2020, due to the impact of COVID-19, research and development activities were delayed or cancelled while since the second half of 2020, research and development activities gradually recovered from such impact and resumed growth. This momentum has been carried into the first half of 2021.

Other Income and Other Expenses

Our other income increased to RMB38.1 million in the first half of 2021 from RMB30.0 million for the same period last year, primarily due to the increase in licensing income of Zometa product resulting from our licensing arrangement with Novartis.

Our other expenses decreased to RMB16.5 million in the first half of 2021 from RMB35.2 million for the same period last year, resulted from the decrease of amortization of intangible assets in relation to Zometa. As we completed transfer of the IDL for Zometa in January 2021, we recognized partial amortization in the cost of revenue corresponding to our product revenue of Zometa, rather than full amount in other expenses.

Other Gains/(Losses), Net

We had net other gains of RMB9.9 million in the first half of 2021, compared to net other losses of RMB2.0 million for the same period last year, primarily due to a significant increase in net foreign exchange gains resulting from fluctuations in the value of USD against RMB for the six months ended June 30, 2021.

Operating Profit

As a result of the foregoing, our operating profit was RMB698.5 million in the first half of 2021, compared to an operating profit of RMB649.1 million for the same period last year.

Finance (Costs)/Income, Net

We had net finance costs of RMB19.2 million in the first half of 2021, compared to a net finance income of RMB3.9 million for the same period last year, primarily due to a significant increase in interest expenses on borrowings resulting from interests accrued on the loan borrowed from China Minsheng Banking Corp., Ltd. Hong Kong Branch in June 2020.

Income Tax Expenses

Our income tax expense increased to RMB56.6 million in the first half of 2021 from the income tax expenses of RMB55.9 million for the same period last year, which was in line with the increase in our profit before income tax during the period.

Profit for the Period

As a result of the foregoing, our profit for the period was RMB622.7 million in the first half of 2021, compared to the profit of RMB597.1 million for the same period last year.

Other Financial Information

Capital Structure

The Company continued to maintain a healthy and sound financial position. Our total assets grew to RMB3,852.4 million as of June 30, 2021 from RMB2,882.6 million as of December 31, 2020, whilst our total liabilities decreased to RMB1,923.4 million as of June 30, 2021 from RMB2,570.8 million as of December 31, 2020.

Liquidity, Financial Resources, and Gearing

We have historically funded our cash requirements principally from cash generated from operations, and to a lesser extent, equity and debt financing. We adopt prudent treasury policies in cash and financial management. To achieve better risk control and minimize cost of funds, our treasury activities are centralized. Cash is generally placed in short-term deposits mostly denominated in HKD. Our liquidity and financing requirements are reviewed regularly. We will consider new financing while maintaining an appropriate level of gearing in anticipation of new investments or maturity of bank loans.

As of June 30, 2021, we had cash and cash equivalents of RMB1,823.1 million, which were predominantly denominated in HKD. Going forward, we believe that our liquidity requirements will be satisfied by using a combination of cash generated from operating activities, the net proceeds received from the global offering of the Company and other funds raised from the capital markets from time to time.

As of June 30, 2021, we had no unutilized banking facilities. Our total borrowings were approximately RMB1,547.5 million as of June 30, 2021, all of which was denominated in USD. The following table sets forth further details of our banking borrowings as of June 30, 2021:

	RMB million	*Interest rate*
Secured	**1,547.5**	LIBOR plus 2.3%
Total	**1,547.5**	NA

As of June 30, 2021, we had a gearing ratio (total liabilities over total assets) of 49.9% (89.2% as of December 31, 2020).

Contingent Liabilities

As of June 30, 2021, we did not have any material contingent liabilities.

Capital Expenditure

Our capital expenditures principally comprise expenditures for purchases of property and equipment relating to office use and purchase of intangible assets. Our capital expenditures changed to RMB172.3 million in the first half of 2021 from RMB275.4 million for the same period last year. We plan to fund our planned capital expenditures using cash generated from operations and the net proceeds from the global offering of the Company.

Material Acquisitions and Future Plans for Major Investments

The Company did not conduct any material acquisition or investment during the period ended June 30, 2021.

Significant Investments Held

The Group continues to give regard to prudent capital management and liquidity risk management in its investment strategy, and follow stringent procedures to evaluate and approve investment projects. To decide whether to invest in certain acquisition and investment projects, the Company will mainly consider the assessment of the strategic impact and net present value of the project. As of June 30, 2021, the Group held 531,438 shares in Zentalis Pharmaceuticals, Inc. (NASDAQ: ZNTL, the "**Zentalis**") (the "**Investment**"), representing approximately 1.3% of the issued and outstanding shares of Zentalis according to the public information. Zentalis is a clinical-stage biopharmaceutical company focusing on discovering and developing small molecule therapeutics targeting fundamental biological pathways of cancers. The Group made the investment in December 2014 with the investment cost as the nominal value of these shares and Zentalis became listed on NASDAQ in April 2020. As of June 30, 2021, the fair value of the Investment was approximately RMB182.6 million, representing approximately 4.7% of the total asset of the Group (December 31, 2020: 6.3%). The Group did not receive any dividend from Zentalis during the first half of 2021. Save as disclosed above, the Group did not hold any significant investments for the six months ended June 30, 2021.

Foreign Exchange Risk Management

Our subsidiaries operate in Cayman Islands, Mainland China and Hong Kong, and they are exposed to foreign exchange risk arising from currency exposure, primarily with respect to RMB. Foreign exchange risk primarily arises from recognized assets and liabilities in our subsidiaries in Cayman Islands when receiving or to receive foreign currencies from, or paying or to pay foreign currencies to business partners. We manage foreign exchange risk by performing regular reviews of our foreign exchange exposures and try to minimize these exposures through natural hedges, wherever possible, and may enter into forward foreign exchange contracts, when necessary. We did not enter into any forward contract or other financial instruments to hedge our exposure to foreign currency risk in the first half of 2021.

Employees and Remuneration Policy

As of June 30, 2021, we had over 850 full-time employees, most of whom were based in Mainland China, with the remainder in Hong Kong, United States, Italy, and the Cayman Islands.

Committed to establishing a competitive, fair remuneration and benefits system, we continually refine our remuneration and incentive policies in order to ensure that our employees receive competitive remuneration packages. As required under the PRC regulations, we participate in housing fund and various employee social security plan that are organized by applicable local municipal and provincial governments. We also purchase commercial health and accidental insurance for our employees. We also provide regular and specialized trainings tailored to the needs of our employees in different departments, so that our employees may stay up to date with the latest industrial developments and technological advancements. In order to incentivize our employees, we have granted and planned to continue to grant share-based incentive awards to our employees in the future to incentivize their contributions to our growth and development.

EVENTS AFTER THE REPORTING PERIOD

Save as disclosed above, there are no important events that have occurred after the end of the Reporting Period and up to the date of this announcement.

OUTLOOK

The Board considers that there has been no material change to the future developments in the business of the Group since the publication of the latest annual report.

OTHER INFORMATION

Interim Dividend

The Board has resolved not to pay any interim dividend for the six months ended June 30, 2021.

Use of Proceed

The Shares of the Company were listed on the Main Board of the Stock Exchange on the Listing Date with net proceeds received by the Company from the global offering in the amount of approximately HK$2,083.6 million after deducting underwriting commissions and all related expenses.

The net proceeds have been utilized in accordance with the purposes set out in the Prospectus and approximately HK$1,600.8 million remained unutilized up to June 30, 2021. The table below sets out the planned applications of the net proceeds and actual usage as of June 30, 2021:

Intended use of net proceeds	**Allocation of net proceeds**	**Amount of net proceeds utilized as of June 30, 2021** *HK$ in million*	**Balance of net proceeds as of June 30, 2021** *HK$ in million*
Investment in potential acquisition of new drug candidates	30%	—	625.1
Repayment of existing debts	28%	466.4	117.0
Funds to the development and commercialization of our clinical-stage product candidates	26%	5.5	536.2
Investment in recruitment and employee expansion	10%	7.1	201.3
Funds to ongoing clinical studies for additional clinical adoptions of our marketed product portfolio	6%	3.8	121.2
	100%	482.8	1,600.8

Save as disclosed above, since the Listing Date, the Group has not utilized any other portion of the net proceeds. There was no change in the intended use of net proceeds as previously disclosed in the Prospectus, and the Company will gradually utilize the residual amount of the net proceeds in accordance with such intended purposes as stated in the Prospectus and expect to fully utilize the net proceeds by December 31, 2024. The expected timeline is based on the best estimation of future market conditions and business operations made by the Company, and remains subject to change based on current and future development of market conditions and actual business needs.

Compliance with Corporate Governance Code

The Company is dedicated to maintaining and ensuring high standards of corporate governance practices and the corporate governance principles of the Company are adopted in the interest of the Company and its Shareholders.

During the Reporting Period, the Company has complied with all the applicable code provisions of the CG Code and adopted most of the best practices set out therein.

Model Code for Securities Transactions by Directors

The Company has adopted the Model Code as its code of conduct for directors' securities transactions. Having made specific enquiry with the Directors, all of the Directors confirmed that they have complied with the required standard as set out in the Model Code during the Reporting Period.

Purchase, Sale or Redemption of Listed Securities

Neither the Company nor its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the Reporting Period.

Audit Committee

The Audit Committee consists of three members, namely Ms. Wendy Hayes, Mr. Gu Alex Yushao, independent non-executive Directors, and Ms. Li Quan, non-executive Director. Ms. Wendy Hayes currently serves as the chairwoman of the Audit Committee. The Audit Committee, together with management and the Auditor, have reviewed the unaudited condensed consolidated results of the Group for the six months ended June 30, 2021.

Publication of the Interim Results and Interim Report

This interim results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.sciclone.com), and the interim report containing all the information required by the Listing Rules will be published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.sciclone.com) and will be despatched to the Shareholders in due course.

Definition

In this announcement, the following expressions shall have the following meanings unless the context requires otherwise:

"Auditor"	PricewaterhouseCoopers
"Audit Committee"	the audit committee of the Board
"Board"	the board of Directors of the Company
"China" or "PRC"	the People's Republic of China excluding for the purpose of this announcement, Hong Kong, Macau and Taiwan
"Company"	SciClone Pharmaceuticals (Holdings) Limited, an exempted company incorporated in the Cayman Islands with limited liability on May 13, 2020
"CG Code"	code on corporate governance practices contained in Appendix 14 to the Listing Rules
"Director(s)"	the director(s) of the Company
"Group"	collectively, the Company and its subsidiaries
"HK$", "HKD" and "cents"	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong
"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the PRC
"Listing"	the listing of our Shares on the Main Board of the Stock Exchange
"Listing Date"	March 3, 2021, the date on which the Shares were listed on the Stock Exchange
"Listing Rules"	The Rules Governing the Listing of Securities on the Main Board of the Stock Exchange
"Model Code"	the model code for securities transactions by directors of listed issuers as set out in Appendix 10 to the Listing Rules
"Prospectus"	the prospectus of the Company dated February 19, 2021
"RMB"	Renminbi, the lawful currency of the PRC

"Share(s)"	ordinary share(s) of US$0.00005 each in the share capital of the Company
"Shareholder(s)"	the shareholder(s) of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary(ies)"	has the meaning ascribed to it under the Listing Rules
"USD"	the lawful currency of the United States of America
"%"	per cent

APPRECIATION

On behalf of the Board, I would like to express my gratitude to our shareholders, management team, employees and business partners for their continuous trust, support and dedication to the Group.

By Order of the Board
SciClone Pharmaceuticals (Holdings) Limited
ZHAO Hong
Executive Director, Chief Executive Officer and President

Hong Kong, August 20, 2021

As at the date of this announcement, the Board comprises Mr. Zhao Hong as executive Director, Mr. Li Zhenfu, Dr. Daniel Luzius Vasella, Ms. Lin Shirley Yi-Hsien, Ms. Li Quan, Mr. Shi Cen and Ms. Wang Haixia as non-executive Directors, and Dr. Liu Guoen, Dr. Chen Ping, Mr. Gu Alex Yushao and Ms. Wendy Hayes as independent non-executive Directors.