UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2022
OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to
Commission File Number: 001-37686

BEIGENE, LTD.

(Exact name of registrant as specified in its charter)

Cayman Islands	**98-1209416**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
c/o Mourant Governance Services (Cayman) Limited **94 Solaris Avenue, Camana Bay** **Grand Cayman** **Cayman Islands**	
(Address of principal executive offices)	**KY1-1108** (Zip Code)

+1 (345) 949-4123
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
American Depositary Shares, each representing 13 Ordinary Shares, par value $0.0001 per share	**BGNE**	**The NASDAQ Global Select Market**
Ordinary Shares, par value $0.0001 per share*	**06160**	**The Stock Exchange of Hong Kong Limited**

*Included in connection with the registration of the American Depositary Shares with the Securities and Exchange Commission. The ordinary shares are not listed for trading in the United States but are listed for trading on The Stock Exchange of Hong Kong Limited (HKEx).

As of April 30, 2022, 1,341,305,269 ordinary shares, par value $0.0001 per share, were outstanding, of which 969,428,629 ordinary shares were held in the form of 74,571,433 American Depositary Shares, each representing 13 ordinary shares, and 115,055,260 were RMB shares.

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports); and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

BeiGene, Ltd.

Quarterly Report on Form 10-Q

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Summary of Risk Factors

Below is a summary of the principal factors that make an investment in our American Depositary Shares (ADSs) listed on NASDAQ, our ordinary shares listed on The Stock Exchange of Hong Kong Limited (HKEx), and our ordinary shares issued to permitted investors in China and listed and traded on the STAR in Renminbi ("RMB Shares") speculative or risky. This summary does not address all of the risks that we face. Additional discussion of the risks summarized in this risk factor summary, and other risks that we face, are summarized in "Part II – Item 1A – Risk Factors" and should be carefully considered, together with other information in this Form 10-Q and our other filings with the Securities and Exchange Commission ("SEC"), before making an investment decision regarding our ADSs, ordinary shares or RMB Shares.

- Our medicines may fail to achieve and maintain the degree of market acceptance by physicians, patients, third-party payors, and others in the medical community necessary for commercial success.
- We have limited experience in launching and marketing our internally developed and in-licensed medicines. If we are unable to further develop marketing and sales capabilities or enter into agreements with third parties to market and sell our medicines, we may not be able to generate substantial product sales revenue.
- If we are not able to continue to obtain, or experience delays in obtaining, required regulatory approvals, we will not be able to commercialize our medicines and drug candidates, and our ability to generate revenue will be materially impaired.
- We face substantial competition, which may result in others discovering, developing, or commercializing competing medicines before or more successfully than we do.
- The market opportunities for our medicines may be limited to those patients who are ineligible for or have failed prior treatments and may be small.
- We have limited manufacturing capability and must rely on third-party manufacturers to manufacture some of our commercial products and clinical supplies, and if they fail to meet their obligations, the development and commercialization of our medicines and drug candidates could be adversely affected.
- If we or any third parties with which we may collaborate to market and sell our medicines are unable to achieve and maintain coverage and adequate level of reimbursement, our commercial success and business operations could be adversely affected.
- We depend substantially on the success of the clinical development of our medicines and drug candidates. If we are unable to successfully complete clinical development, obtain regulatory approvals and commercialize our medicines and drug candidates, or experience significant delays in doing so, our business will be materially harmed.
- Clinical development involves a lengthy and expensive process with an uncertain outcome, and results of earlier studies and trials may not be predictive of future trial results.
- If clinical trials of our drug candidates fail to demonstrate safety and efficacy to the satisfaction of regulatory authorities or do not otherwise produce positive results, we may incur additional costs or experience delays in completing, or ultimately be unable to complete, the development and commercialization of our drug candidates.
- If we encounter difficulties enrolling patients in our clinical trials, our clinical development activities could be delayed or otherwise adversely affected.
- All material aspects of the research, development, manufacturing and commercialization of pharmaceutical products are heavily regulated, and we may face difficulties in complying with or be unable to comply with such regulations, which could have a material adverse effect on our business.
- The approval processes of regulatory authorities in the United States, China, Europe and other comparable regulatory authorities are lengthy, time consuming and inherently unpredictable. If we are ultimately unable to obtain regulatory approval for our drug candidates, our business will be substantially harmed.
- Our medicines and any future approved drug candidates will be subject to ongoing regulatory obligations and continued regulatory review, which may result in significant additional expense and we may be subject to penalties if we fail to comply with regulatory requirements or experience unanticipated problems with our medicines and drug candidates.

- Even if we are able to commercialize our medicines and any approved drug candidates, the medicines may become subject to unfavorable pricing regulations or third-party reimbursement practices or healthcare reform initiatives, which could harm our business.
- We have incurred significant net losses since our inception and anticipate that we will continue to incur net losses for the foreseeable future and may not become profitable.
- We have limited experience in obtaining regulatory approvals and commercializing pharmaceutical products, which may make it difficult to evaluate our current business and predict our future performance.
- We may need to obtain additional financing to fund our operations, and if we are unable to obtain such financing, we may be unable to complete the development of our drug candidates or achieve profitability.
- If we are unable to obtain and maintain patent protection for our medicines and drug candidates through intellectual property rights, or if the scope of such intellectual property rights is not sufficiently broad, third parties may compete against us.
- We rely on third parties to manufacture some of our commercial and clinical drug supplies. Our business could be harmed if those third parties fail to provide us with sufficient quantities of product or fail to do so at acceptable quality levels or prices.
- If third-party manufacturers fail to comply with manufacturing regulations, our financial results and financial condition could be adversely affected.
- We have entered into licensing and collaboration arrangements and may enter into additional collaborations, licensing arrangements, or strategic alliances in the future, and we may not realize the benefits of such arrangements.
- If we are not able to successfully develop and/or commercialize Amgen's oncology products, the expected benefits of the collaboration will not materialize.
- We have significantly increased and expect to continue to increase our research, development, manufacturing, and commercial capabilities, and we may experience difficulties in managing our growth.
- Our future success depends on our ability to retain key executives and to attract, retain and motivate qualified personnel.
- Our business is subject to complex and evolving industry-specific laws and regulations regarding the collection and transfer of personal data. These laws and regulations can be complex and stringent, and many are subject to change and uncertain interpretation, which could result in claims, changes to our data and other business practices, significant penalties, increased cost of operations, or otherwise adversely impact our business.
- We manufacture some of our medicines and intend to manufacture some of our drug candidates, if approved. Delays in completing and receiving regulatory approvals for our manufacturing facilities, or damage to, destruction of or interruption of production at such facilities, could delay our development plans or commercialization efforts.
- Changes in the political and economic policies of the PRC government or in relations between China and the United States or other governments may materially and adversely affect our business, financial condition, and results of operations and may result in our inability to sustain our growth and expansion strategies.
- The audit reports included in our Annual Report on Form 10-K filed with the SEC have historically been prepared by auditors who are not inspected fully by the Public Company Accounting Oversight Board (the PCAOB), and as such, investors have previously been deprived of the benefits of such inspections.
- Our ADSs may be delisted and our ADSs and ordinary shares prohibited from trading in the over-the-counter market under the Holding Foreign Companies Accountable Act, or the HFCAA, if the PCAOB is unable to inspect or fully investigate auditors located in China. On December 16, 2021, the PCAOB issued the HFCAA Determination Report, according to which our previous auditor is subject to the determinations that the PCAOB is unable to inspect or investigate it completely. Under current law, delisting and prohibition from over-the-counter trading in the U.S. could take place in 2024. The delisting of our ADSs, or the threat of their being delisted, may materially and adversely affect the value of your investment.
- The trading prices of our ordinary shares, ADSs and/or RMB Shares can be volatile, which could result in substantial losses to you.

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

BEIGENE, LTD.
CONDENSED CONSOLIDATED BALANCE SHEETS
(Amounts in thousands of U.S. Dollars ("$"), except for number of shares and per share data)

	Note	As of March 31, 2022 $ (unaudited)	As of December 31, 2021 $ (audited)
Assets			
Current assets:			
Cash and cash equivalents		4,347,162	4,375,678
Short-term restricted cash	4	330	328
Short-term investments	4	1,897,783	2,241,962
Accounts receivable, net	9	190,800	483,113
Inventories	5	245,628	242,626
Prepaid expenses and other current assets	9	266,436	270,173
Total current assets		6,948,139	7,613,880
Long-term restricted cash	4	6,958	6,881
Property, plant and equipment, net	6	624,673	587,605
Operating lease right-of-use assets		115,497	117,431
Intangible assets, net	7	45,807	46,679
Deferred tax assets	8	115,760	110,424
Other non-current assets	9	164,554	163,049
Total non-current assets		1,073,249	1,032,069
Total assets		8,021,388	8,645,949
Liabilities and shareholders' equity			
Current liabilities:			
Accounts payable		236,915	262,400
Accrued expenses and other payables	9	385,976	558,055
Deferred revenue, current portion	3	163,658	187,414
Tax payable	8	38,505	21,395
Operating lease liabilities, current portion		22,894	21,925
Research and development cost share liability, current portion	3	120,971	120,801
Short-term debt	10	407,387	427,565
Total current liabilities		1,376,306	1,599,555
Non-current liabilities:			
Long-term bank loans	10	201,605	202,113
Deferred revenue, non-current portion	3	204,369	220,289
Operating lease liabilities, non-current portion		39,989	43,041
Deferred tax liabilities	8	14,219	14,169
Research and development cost share liability, non-current portion	3	247,572	269,561
Other long-term liabilities	9	51,828	54,234
Total non-current liabilities		759,582	803,407
Total liabilities		2,135,888	2,402,962
Commitments and contingencies	18		
Equity:			
Ordinary shares, US$0.0001 par value per share; 9,500,000,000 shares authorized; 1,334,805,269 and 1,334,804,281 shares issued and outstanding as of March 31, 2022 and December 31, 2021, respectively		133	133
Additional paid-in capital		11,268,290	11,191,007
Accumulated other comprehensive income	14	17,454	17,950
Accumulated deficit		(5,400,377)	(4,966,103)
Total equity		5,885,500	6,242,987
Total liabilities and equity		8,021,388	8,645,949

The accompanying notes are an integral part of these condensed consolidated financial statements.

BEIGENE, LTD.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(Amounts in thousands of U.S. Dollars ("$"), except for number of shares and per share data)

(Unaudited)

	Note	Three Months Ended March 31, 2022	Three Months Ended March 31, 2021
		$	$
Revenues			
Product revenue, net	11	261,573	106,117
Collaboration revenue	3	45,053	499,755
Total revenues		306,626	605,872
Expenses			
Cost of sales - product		65,237	32,685
Research and development		389,915	320,726
Selling, general and administrative		294,573	182,106
Amortization of intangible assets		188	188
Total expenses		749,913	535,705
(Loss) income from operations		(443,287)	70,167
Interest income (expense), net		10,071	(4,179)
Other income (expense), net		11,967	(4,123)
(Loss) income before income taxes		(421,249)	61,865
Income tax expense (benefit)	8	13,025	(4,630)
Net (loss) income		(434,274)	66,495
Net (loss) income per share			
Basic	12	(0.33)	0.06
Diluted	12	(0.33)	0.05
Weighted-average shares outstanding—basic		1,332,017,262	1,188,943,726
Weighted-average shares outstanding—diluted		1,332,017,262	1,257,489,671
Net (loss) income per American Depositary Share ("ADS")			
Basic	12	(4.24)	0.73
Diluted	12	(4.24)	0.69
Weighted-average ADSs outstanding—basic		102,462,866	91,457,210
Weighted-average ADSs outstanding—diluted		102,462,866	96,729,975

The accompanying notes are an integral part of these condensed consolidated financial statements.

BEIGENE, LTD.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE (LOSS) INCOME

(Amounts in thousands of U.S. Dollars ("$"), except for number of shares and per share data)

(Unaudited)

	Three Months Ended March 31,	
	2022	2021
	$	$
Net (loss) income	(434,274)	66,495
Other comprehensive income (loss), net of tax of nil:		
Foreign currency translation adjustments	9,374	(3,762)
Pension liability adjustments	—	497
Unrealized holding loss, net	(9,870)	(473)
Comprehensive (loss) income	(434,770)	62,757

The accompanying notes are an integral part of these condensed consolidated financial statements.

BEIGENE, LTD.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Amounts in thousands of U.S. Dollars ("$"), except for number of shares and per share data)
(Unaudited)

	Note	Three Months Ended March 31, 2022	2021
		$	$
Operating activities:			
Net (loss) income		(434,274)	66,495
Adjustments to reconcile net (loss) income to net cash (used in) provided by operating activities:			
Depreciation and amortization expense		16,600	9,632
Share-based compensation expenses	13	65,555	45,833
Unrealized losses on equity investments	4	16,974	3,327
Acquired in-process research and development		—	8,500
Amortization of research and development cost share liability	3	(21,819)	(26,930)
Deferred income tax benefits		(5,286)	(12,251)
Other items, net		3,544	5,263
Changes in operating assets and liabilities:			
Accounts receivable		292,554	(23,656)
Inventories		(3,002)	16,319
Other assets		(16,953)	(17,948)
Accounts payable		(35,024)	(73,178)
Accrued expenses and other payables		(74,042)	(26,861)
Deferred revenue		(39,676)	150,245
Other liabilities		(1,714)	305
Net cash (used in) provided by operating activities		(236,563)	125,095
Investing activities:			
Purchases of property, plant and equipment		(45,131)	(42,389)
Purchases of investments		(504)	(764,163)
Proceeds from sale or maturity of investments		331,028	1,107,000
Purchase of in-process research and development		(75,000)	(8,500)
Net cash provided by investing activities		210,393	291,948
Financing activities:			
Proceeds from long-term loan	10	—	10,664
Proceeds from short-term loans	10	50,000	71,001
Repayment of short-term loans	10	(73,147)	—
Proceeds from option exercises and employee share purchase plan		11,880	25,754
Net cash (used in) provided by financing activities		(11,267)	107,419
Effect of foreign exchange rate changes, net		9,000	(4,061)
Net (decrease) increase in cash, cash equivalents, and restricted cash		(28,437)	520,401
Cash, cash equivalents, and restricted cash at beginning of period		4,382,887	1,390,005
Cash, cash equivalents, and restricted cash at end of period		4,354,450	1,910,406
Supplemental cash flow information:			
Cash and cash equivalents		4,347,162	1,901,819
Short-term restricted cash		330	305
Long-term restricted cash		6,958	8,282
Income taxes paid		736	478
Interest paid		6,617	6,927
Supplemental non-cash information:			
Acquisitions of equipment included in accounts payable		62,736	30,906

The accompanying notes are an integral part of these condensed consolidated financial statements.

BEIGENE, LTD.

CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

(Amounts in thousands of U.S. Dollars ("$"), except for number of shares and per share data)

(Unaudited)

	Ordinary Shares		Additional Paid-In Capital	Accumulated Other Comprehensive Income	Accumulated Deficit	Total
	Shares	Amount				
		$	$	$	$	$
Balance at December 31, 2021	1,334,804,281	133	11,191,007	17,950	(4,966,103)	6,242,987
Cost from issuance of ordinary shares	—	—	(152)	—	—	(152)
Use of shares reserved for share option exercises	(2,850,328)	—	—	—	—	—
Exercise of options, ESPP and release of Restricted Share Units ("RSUs")	2,851,316	—	11,880	—	—	11,880
Share-based compensation	—	—	65,555	—	—	65,555
Other comprehensive loss	—	—	—	(496)	—	(496)
Net loss	—	—	—	—	(434,274)	(434,274)
Balance at March 31, 2022	1,334,805,269	133	11,268,290	17,454	(5,400,377)	5,885,500
Balance at December 31, 2020	1,190,821,941	118	7,414,932	6,942	(3,552,749)	3,869,243
Use of shares reserved for share option exercises	(123,097)	—	—	—	—	—
Exercise of options, ESPP and release of Restricted Share Units ("RSUs")	6,623,773	1	25,753	—	—	25,754
Share-based compensation	—	—	45,833	—	—	45,833
Other comprehensive loss	—	—	—	(3,738)	—	(3,738)
Net income	—	—	—	—	66,495	66,495
Balance at March 31, 2021	1,197,322,617	119	7,486,518	3,204	(3,486,254)	4,003,587

The accompanying notes are an integral part of these condensed consolidated financial statements.

BEIGENE, LTD.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Amounts in thousands of U.S. Dollar (“$”) and Renminbi (“RMB”), except for number of shares and per share data)

(Unaudited)

1. Description of Business, Basis of Presentation and Consolidation and Significant Accounting Policies

Description of business

BeiGene, Ltd. (the "Company", "BeiGene", "it", "its") is a global, commercial-stage biotechnology company focused on discovering, developing, manufacturing, and commercializing innovative medicines to improve treatment outcomes and expand access for patients worldwide.

The Company currently has three approved medicines that were discovered and developed in its own labs, including BRUKINSA®, a small molecule inhibitor of Bruton’s Tyrosine Kinase (BTK) for the treatment of various blood cancers, tislelizumab, an anti-PD-1 antibody immunotherapy for the treatment of various solid tumor and blood cancers, and pamiparib, a selective small molecule inhibitor of PARP1 and PARP2. The Company has obtained approvals to market BRUKINSA® in the United States, the People's Republic of China (China or the PRC), the European Union (EU), the United Kingdom (U.K.), Canada, Australia and additional international markets, and tislelizumab and pamiparib in China. By leveraging its China commercial capabilities, the Company has in-licensed the rights to distribute 13 approved medicines for the China market. Supported by its global clinical development and commercial capabilities, the Company has entered into collaborations with world-leading biopharmaceutical companies such as Amgen Inc. (Amgen) and Novartis Pharma AG (Novartis) to develop and commercialize innovative medicines.

The Company is committed to advancing best and first-in-class clinical candidates internally or with like-minded partners to develop impactful and affordable medicines for patients across the globe. Its internal clinical development capabilities are deep, including a more than 2,300-person global clinical development and medical affairs team that is running more than 90 ongoing or planned clinical trials in over 30 medicines and drug candidates. This includes more than 30 pivotal or potentially registration-enabling trials across its portfolio, including three internally discovered, approved medicines. The Company has enrolled in its clinical trials more than 16,000 subjects, of which approximately one-half have been outside of China.

The Company has built, and is expanding, its internal manufacturing capabilities, through its state-of-the-art biologic and small molecule manufacturing facilities in China to support current and potential future demand of its medicines, and is building a commercial-stage biologics manufacturing and clinical R&D center in New Jersey. The Company also works with high quality contract manufacturing organizations (CMOs) to manufacture its internally developed clinical and commercial products.

Since its inception in 2010, the Company has become a fully integrated global organization of over 8,300 employees in 28 countries and regions, including the United States, China, Europe and Australia.

Basis of presentation and consolidation

The accompanying condensed consolidated balance sheet as of March 31, 2022, the condensed consolidated statements of operations and comprehensive loss for the three months ended March 31, 2022 and 2021, the condensed consolidated statements of cash flows for the three months ended March 31, 2022 and 2021, and the condensed consolidated statements of shareholders' equity for the three months ended March 31, 2022 and 2021, and the related footnote disclosures are unaudited. The accompanying unaudited interim condensed financial statements were prepared in accordance with U.S. generally accepted accounting principles (“GAAP”), including guidance with respect to interim financial information and in conformity with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by GAAP for annual financial statements. These financial statements should be read in conjunction with the consolidated financial statements and related footnotes included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2021 (the "Annual Report").

The unaudited interim condensed consolidated interim financial statements have been prepared on the same basis as the annual financial statements and, in the opinion of management, reflect all normal recurring adjustments, necessary to present a fair statement of the results for the interim periods presented. Results of the operations for the three months ended March 31, 2022 are not necessarily indicative of the results expected for the full fiscal year or for any future annual or interim period.

The unaudited interim condensed consolidated financial statements include the financial statements of the Company and its subsidiaries. All significant intercompany transactions and balances between the Company and its subsidiaries are eliminated upon consolidation.

Use of estimates

The preparation of the consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Areas where management uses subjective judgment include, but are not limited to, estimating the useful lives of long-lived assets, estimating variable consideration in product sales and collaboration revenue arrangements, identifying separate accounting units and determining the standalone selling price of each performance obligation in the Company's revenue arrangements, assessing the impairment of long-lived assets, valuation and recognition of share-based compensation expenses, realizability of deferred tax assets, estimating uncertain tax positions, valuation of inventory, estimating the allowance for credit losses, determining defined benefit pension plan obligations, measurement of right-of-use assets and lease liabilities and the fair value of financial instruments. Management bases the estimates on historical experience, known trends and various other assumptions that are believed to be reasonable, the results of which form the basis for making judgments about the carrying values of assets and liabilities and reported amounts of revenues and expenses. Actual results could differ from these estimates.

Recent accounting pronouncements

New accounting standards which have not yet been adopted

In November 2021, the FASB issued ASU 2021-10, *Government Assistance (Topic 832): Disclosures by Business Entities about Government Assistance*. This update requires certain annual disclosures about transactions with a government that are accounted for by applying a grant or contribution accounting model by analogy. This update is effective for annual periods beginning after December 15, 2021, and early application is permitted. This guidance should be applied either prospectively to all transactions that are reflected in financial statements at the date of initial application and new transactions that are entered into after the date of initial application or retrospectively to those transactions. The Company does not expect the adoption of this guidance to have a material impact on the Company's consolidated financial statements.

Significant accounting policies

For a more complete discussion of the Company's significant accounting policies and other information, the unaudited interim condensed consolidated financial statements and notes thereto should be read in conjunction with the consolidated financial statements included in the Company's Annual Report for the year ended December 31, 2021.

There have been no material changes to the Company's significant accounting policies as of and for the three months ended March 31, 2022, as compared to the significant accounting policies described in the Annual Report.

2. Fair Value Measurements

The Company measures certain financial assets and liabilities at fair value. Fair value is determined based upon the exit price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants, as determined by either the principal market or the most advantageous market. Inputs used in the valuation techniques to derive fair values are classified based on a three-level hierarchy, as follows:

Level 1 – Observable inputs that reflect quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2 – Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets with insufficient volume or infrequent transactions (less active markets); or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the asset or liability.

The Company considers an active market to be one in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis, and considers an inactive market to be one in which there are infrequent or few transactions for the asset or liability, the prices are not current, or price quotations vary substantially either over time or among market makers.

The following tables present the Company's financial assets and liabilities measured and recorded at fair value on a recurring basis using the above input categories as of March 31, 2022 and December 31, 2021:

As of March 31, 2022	Quoted Price in Active Market for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	$	$	$
Cash equivalents			
U.S. treasury securities	61,993	—	—
Money market funds	321,376	—	—
Short-term investments (Note 4):			
U.S. Treasury securities	1,897,783	—	—
Other non-current assets (Note 4):			
Equity securities with readily determinable fair values	12,860	4,502	—
Total	2,294,012	4,502	—

As of December 31, 2021	Quoted Price in Active Market for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	$	$	$
Cash equivalents			
U.S. treasury securities	107,855	—	—
Money market funds	315,564	—	—
Short-term investments (Note 4):			
U.S. Treasury securities	2,241,962	—	—
Other non-current assets (Note 4):			
Equity securities with readily determinable fair values	23,809	10,306	—
Total	2,689,190	10,306	—

The Company's cash equivalents are highly liquid investments with original maturities of 3 months or less. Short-term investments represent the Company's investments in available-for-sale debt securities. The Company determines the fair value of cash equivalents and available-for-sale debt securities using a market approach based on quoted prices in active markets.

The Company's equity securities carried at fair value consist of holdings in common stock and warrants to purchase additional shares of common stock of Leap Therapeutics, Inc. ("Leap"), which were acquired in connection with a collaboration and license agreement entered into in January 2020 and in Leap's underwritten public offering in September 2021. The common stock investment in Leap, a publicly-traded biotechnology company, is measured and carried at fair value and classified as Level 1. The warrants to purchase additional shares of common stock in Leap are classified as a Level 2 investment and are measured using the Black-Scholes option-pricing valuation model, which utilizes a constant maturity risk-free rate and reflects the term of the warrants, dividend yield and stock price volatility, that is based on the historical volatility of similar companies. Refer to Note 4, Restricted Cash and Investments for details of the determination of the carrying amount of private equity investments without readily determinable fair values and equity method investments.

As of March 31, 2022 or December 31, 2021, the fair values of cash and cash equivalents, restricted cash, accounts receivable, accounts payable, and short-term debt approximated their carrying values due to their short-term nature. Long-term bank loans approximate their fair value due to the fact that the related interest rates approximate the rates currently offered by financial institutions for similar debt instrument of comparable maturities.

3. Collaborative and Licensing Arrangements

The Company has entered into collaborative arrangements for the research and development, manufacture and/or commercialization of medicines and drug candidates. To date, these collaborative arrangements have included out-licenses of and options to out-license internally developed products and drug candidates to other parties, in-licenses of products and drug candidates from other parties, and profit- and cost-sharing arrangements. These arrangements may include non-refundable upfront payments, contingent obligations for potential development, regulatory and commercial performance milestone payments, cost-sharing and reimbursement arrangements, royalty payments, and profit sharing.

Out-Licensing Arrangements

For the three months ended March 31, 2022 and 2021, the Company's collaboration revenue consisted entirely of upfront license fees, research and development services revenue and right to access intellectual property revenue from its collaboration agreements with Novartis for tislelizumab and ociperlimab.

The following table summarizes total collaboration revenue recognized for the three months ended March 31, 2022 and 2021:

	Three Months Ended March 31,	
	2022	2021
Revenue from Collaborators	$	$
License revenue	—	484,646
Research and development service revenue	13,427	15,109
Right to access intellectual property revenue	26,249	—
Other	5,377	—
Total	45,053	499,755

Novartis

Tislelizumab Collaboration and License

In January 2021, the Company entered into a collaboration and license agreement with Novartis, granting Novartis rights to develop, manufacture and commercialize tislelizumab in North America, Europe, and Japan (Novartis Territory). The Company and Novartis have agreed to jointly develop tislelizumab in these licensed countries, with Novartis responsible for regulatory submissions after a transition period and for commercialization upon regulatory approvals. In addition, both companies may conduct clinical trials globally to explore combinations of tislelizumab with other cancer treatments, and the Company has an option to co-detail the product in North America, funded in part by Novartis.

Under the agreement the Company received an upfront cash payment of $650,000 from Novartis. The Company is eligible to receive up to $1,300,000 upon the achievement of regulatory milestones, $250,000 upon the achievement of sales milestones, and royalties on future sales of tislelizumab in the licensed territory. Under the terms of the agreement, the Company is responsible for funding ongoing clinical trials of tislelizumab, Novartis has agreed to fund new registrational, bridging, or post-marketing studies in its territory, and each party will be responsible for funding clinical trials evaluating tislelizumab in combination with its own or third party products. Each party retains the worldwide right to commercialize its propriety products in combination with tislelizumab.

The Company evaluated the Novartis agreement under ASC 606 as all the material units of account within the agreement represented transactions with a customer. The Company identified the following material components under the agreement: (1) exclusive license for Novartis to develop, manufacture, and commercialize tislelizumab in the Novartis Territory, transfer of know-how and use of the tislelizumab trademark; (2) conducting and completing ongoing trials of tislelizumab ("R&D services"); and (3) supplying Novartis with required quantities of the tislelizumab drug product, or drug substance, upon receipt of an order from Novartis.

The Company determined that the license, transfer of know-how and use of trademarks are not distinct from each other and represent a single performance obligation. The R&D services represent a material promise and were determined to be a separate performance obligation at the outset of the agreement as the promise is distinct and has standalone value to Novartis. The Company evaluated the supply component of the contract and noted the supply will not be provided at a significant incremental discount to Novartis. The Company concluded that, for the purpose of ASC 606, the provision related to providing clinical and commercial supply of tislelizumab in the Novartis Territory was an option but not a performance obligation of the Company at

the outset of the Novartis collaboration agreement. A performance obligation for the clinical and commercial supply will be established as quantities of drug product or drug substance are ordered by Novartis.

The Company determined that the transaction price as of the outset of the arrangement was the upfront payment of $650,000. The potential milestone payments that the Company is eligible to receive were excluded from the transaction price, as all milestone amounts were fully constrained due to uncertainty of achievement. The transaction price was allocated to the two identified performance obligations based on a relative fair value basis. The standalone selling price of the license, transfer of know-how and use of trademarks performance obligation was determined using the adjusted market assessment approach. Based on the valuation performed by the Company, the standalone selling price of the license, transfer of know-how and use of trademarks was valued at $1,231,000. The standalone selling price of the R&D services was valued at $420,000 using a cost plus margin valuation approach. Based on the relative standalone selling prices of the two performance obligations, $484,646 of the total transaction price was allocated to the license and $165,354 was allocated to the R&D services.

The Company satisfied the license performance obligation at a point in time when the license was delivered and the transfer of know-how completed which occurred during the three months ended March 31, 2021. As such, the Company recognized the entire amount of the transaction price allocated to the license as collaboration revenue during the three months ended March 31, 2021. The portion of the transaction price allocated to the R&D services was deferred and is being recognized as collaboration revenue as the R&D services are performed using a percentage-of-completion method. Estimated costs to complete are reassessed on a periodic basis and any updates to the revenue earned are recognized on a prospective basis. The Company recognized R&D service revenue of $11,635 and $15,109 during the three months ended March 31, 2022 and 2021, respectively. The Company also recognized other collaboration revenue of $5,377 related to the sale of tislelizumab clinical supply to Novartis in conjunction with the collaboration during the three months ended March 31, 2022.

Ociperlimab Option, Collaboration and License Agreement and China Broad Market Development Agreement

In December 2021, the Company expanded its collaboration with Novartis by entering into an option, collaboration and license agreement with Novartis to develop, manufacture and commercialize the Company's investigational TIGIT inhibitor ociperlimab in the Novartis Territory. In addition, the Company and Novartis entered into an agreement granting the Company rights to market, promote and detail five approved Novartis oncology products, TAFINLAR® (dabrafenib), MEKINIST® (trametinib), VOTRIENT® (pazopanib), AFINITOR® (everolimus), and ZYKADIA® (ceritinib), across designated regions of China referred to as “broad markets.” In the first quarter of 2022, the Company initiated marketing and promotion of these five products.

Under the terms of the option, collaboration and license agreement, the Company received an upfront cash payment of $300,000 in January 2022 from Novartis and will receive an additional payment of $600,000 or $700,000 in the event Novartis exercises its exclusive time-based option prior to mid-2023 or between then and late-2023, respectively. Following option exercise, the Company is eligible to receive up to $745,000 upon the achievement of regulatory approval milestones, $1,150,000 upon the achievement of sales milestones, and royalties on future sales of ociperlimab in the Novartis Territory. Subject to the terms of the option, collaboration and license agreement, during the option period, Novartis has agreed to initiate and fund additional global clinical trials with ociperlimab and the Company has agreed to expand enrollment in two ongoing trials. Following the option exercise, Novartis has agreed to share development costs of global trials. Following approval, the Company has agreed to provide 50 percent of the co-detailing and co-field medical efforts in the United States, and has an option to co-detail up to 25 percent in Canada and Mexico, funded in part by Novartis. Each party retains the worldwide right to commercialize its propriety products in combination with ociperlimab, as is the case with tislelizumab under the tislelizumab collaboration and license agreement. The existing tislelizumab collaboration and license agreement was not modified as a result of the ociperlimab option, collaboration and license agreement.

The Company evaluated the Novartis agreements under ASC 606 as the units of account within the agreement represented transactions with a customer. The Company identified the following material promises under the agreement: (1) exclusive option for Novartis to license the rights to develop, manufacture, and commercialize ociperlimab in the Novartis Territory; (2) Novartis' right to access ociperlimab in its own clinical trials during the option period; (3) initial transfer of BeiGene know-how; and (4) conducting and completing ongoing trials of ociperlimab during the option period (R&D Services). The market development activities are considered immaterial in the context of the contracts.

The Company concluded that, at the inception of the agreement, the option for the exclusive product license constitutes a material right as it represents a significant and incremental discount to the fair value of the exclusive product license that Novartis would not have received without entering into the agreement and is therefore considered a distinct performance obligation. The Company determined that Novartis' right to access ociperlimab in its own trials over the option period and the initial transfer of know-how were not distinct from each other, as the right to access ociperlimab has limited value without the corresponding know-how transfer, and therefore should be combined into one distinct performance obligation. The R&D

Services represent a material promise and were determined to be a separate performance obligation at the outset of the agreement as the promise is distinct and has standalone value to Novartis.

The Company determined the transaction price at the outset of the arrangement as the upfront payment of $300,000. The option exercise fee is contingent upon Novartis exercising its right and is considered fully constrained until the option is exercised. Additionally, the milestone and royalty payments are not applicable until after the option is exercised, at which point the likelihood of meeting milestones, regulatory approval and meeting certain sales thresholds will be assessed. The transaction price was allocated to the three identified performance obligations based on a relative fair value basis. The standalone selling price of the material right for the option to the exclusive product license was calculated as the incremental discount between (i) the value of the license determined using a discounted cash flow method adjusted for probability of the option being exercised and (ii) the expected option exercise fee using the most-likely-amount method at option exercise. The standalone selling price of the combined performance obligation for Novartis' right to access ociperlimab for its own clinical trials during the option period and the initial transfer of BeiGene know-how was determined using a discounted cash flow method. The standalone selling price of the R&D Services was determined using an expected cost plus margin approach. Based on the relative standalone selling prices of the three performance obligations, $71,980 of the total transaction price was allocated to the material right, $213,450 was allocated to Novartis' right to use ociperlimab in its own clinical trials during the option period and the transfer of BeiGene know-how, and $14,570 was allocated to the R&D Services.

The Company will satisfy the material right performance obligation at a point in time at the earlier of when Novartis exercises the option and the license is delivered or the expiration of the option period. As such, the entire amount of the transaction price allocated to the material right was deferred. The portion of the transaction price allocated to Novartis' right to access ociperlimab in its own clinical trials during the option period and the initial transfer of BeiGene know-how was deferred and is being recognized over the expected option period. The portion of the transaction price allocated to the R&D Services was deferred and is being recognized as collaboration revenue as the R&D Services are performed over the expected option period. The Company recognized collaboration revenue of $26,249 related to Novartis right to access ociperlimab in clinical trials and the transfer of know how performance obligation and R&D service revenue of $1,792 during the three months ended March 31, 2022.

In-Licensing Arrangements

Amgen

In October 2019, the Company entered into a global strategic oncology collaboration with Amgen (Amgen Collaboration Agreement) for the commercialization and development in China, excluding Hong Kong, Taiwan and Macau, of Amgen's XGEVA®, KYPROLIS®, and BLINCYTO®, and the joint global development of a portfolio of oncology assets in Amgen's pipeline, with BeiGene responsible for development and commercialization in China. The agreement became effective on January 2, 2020, following approval by the Company's shareholders and satisfaction of other closing conditions.

Under the agreement, the Company is responsible for the commercialization of XGEVA®, KYPROLIS® and BLINCYTO® in China for five or seven years. Amgen is responsible for manufacturing the products globally and will supply the products to the Company at an agreed upon price. The Company and Amgen will share equally in the China commercial profits and losses during the commercialization period. Following the commercialization period, the Company has the right to retain one product and is entitled to receive royalties on sales in China for an additional five years on the products not retained. XGEVA® was approved in China in 2019 for patients with giant cell tumor of the bone and in November 2020 for the prevention of skeletal-related events in cancer patients with bone metastases. In July 2020, the Company began commercializing XGEVA® in China. In December 2020, BLINCYTO® was approved in China for injection for the treatment of adult patients with relapsed or refractory (R/R) B-cell precursor acute lymphoblastic leukemia (ALL). In July 2021, KYPROLIS® was conditionally approved in China for injection in combination with dexamethasone for the treatment of adult patients with relapsed or refractory (R/R) multiple myeloma. In April 2022, BLINCYTO® was conditionally approved for injection for the treatment of pediatric patients with R/R CD19-positive B-cell precursor ALL.

Amgen and the Company are also jointly developing a portfolio of Amgen oncology pipeline assets under the collaboration. The Company is responsible for conducting clinical development activities in China and co-funding global development costs by contributing cash and development services up to a total cap of $1,250,000. Amgen is responsible for all development, regulatory and commercial activities outside of China. For each pipeline asset that is approved in China, the Company will receive commercial rights for seven years from approval. The Company has the right to retain approximately one out of every three approved pipeline assets, other than LUMAKRAS™ (sotorasib), Amgen's KRAS G12C inhibitor, for commercialization in China. The Company and Amgen will share equally in the China commercial profits and losses during the commercialization period. The Company is entitled to receive royalties from sales in China for pipeline assets returned to

Amgen for five years after the seven-year commercialization period. The Company is also entitled to receive royalties from global sales of each product outside of China (with the exception of LUMAKRAS™).

The Amgen Collaboration Agreement is within the scope of ASC 808, as both parties are active participants and are exposed to the risks and rewards dependent on the commercial success of the activities performed under the agreement. The Company is the principal for product sales to customers in China during the commercialization period and recognizes 100% of net product revenue on these sales. Amounts due to Amgen for its portion of net product sales will be recorded as cost of sales. Cost reimbursements due to or from Amgen under the profit share will be recognized as incurred and recorded to cost of sales; selling, general and administrative expense; or research and development expense, based on the underlying nature of the related activity subject to reimbursement. Costs incurred for the Company's portion of the global co-development funding are recorded to research and development expense as incurred.

In connection with the Amgen Collaboration Agreement, a Share Purchase Agreement (SPA) was entered into by the parties in October 2019. On January 2, 2020, the closing date of the transaction, Amgen purchased 15,895,001 of the Company's ADSs for $174.85 per ADS, representing a 20.5% ownership stake in the Company. Per the SPA, the cash proceeds shall be used as necessary to fund the Company's development obligations under the Amgen Collaboration Agreement. Pursuant to the SPA, Amgen also received the right to designate one member of the Company's board of directors, and Anthony Hooper joined the Company's board of directors as the Amgen designee in January 2020.

In determining the fair value of the common stock at closing, the Company considered the closing price of the common stock on the closing date of the transaction and included a lack of marketability discount because the shares are subject to certain restrictions. The fair value of the shares on the closing date was determined to be $132.74 per ADS, or $2,109,902 in the aggregate. The Company determined that the premium paid by Amgen on the share purchase represents a cost share liability due to the Company's co-development obligations. The fair value of the cost share liability on the closing date was determined to be $601,857 based on the Company's discounted estimated future cash flows related to the pipeline assets. The total cash proceeds of $2,779,241 were allocated based on the relative fair value method, with $2,162,407 recorded to equity and $616,834 recorded as a research and development cost share liability. The cost share liability is being amortized proportionately as the Company contributes cash and development services to its total co-development funding cap.

Amounts recorded related to the Company's portion of the co-development funding on the pipeline assets for the three months ended March 31, 2022 and 2021 were as follows:

	Three Months Ended March 31,	
	2022	2021
	$	$
Research and development expense	22,396	27,643
Amortization of research and development cost share liability	21,819	26,930
Total amount due to Amgen for BeiGene's portion of the development funding	44,215	54,573

	As of March 31, 2022
Remaining portion of development funding cap	746,844

As of March 31, 2022 and December 31, 2021, the research and development cost share liability recorded in the Company's balance sheet was as follows:

	As of	
	March 31, 2022	December 31, 2021
	$	$
Research and development cost share liability, current portion	120,971	120,801
Research and development cost share liability, non-current portion	247,572	269,561
Total research and development cost share liability	368,543	390,362

The total reimbursement due under the commercial profit-sharing agreement for product sales is classified in the income statement for the three months ended March 31, 2022 and 2021 as follows:

	Three Months Ended March 31,	
	2022	2021
	$	$
Cost of sales - product	1,029	710
Research and development	241	(259)
Selling, general and administrative	(12,981)	(6,699)
Total	(11,711)	(6,248)

The Company purchases commercial inventory from Amgen to distribute in China. Total inventory purchases amounted to $7,599 during the three months ended March 31, 2022. Net amounts payable to Amgen as of March 31, 2022 and December 31, 2021 were $79,659 and $106,790, respectively.

4. Restricted Cash and Investments

Restricted Cash

The Company's restricted cash balance of $7,288 and $7,209 as of March 31, 2022 and December 31, 2021, respectively, primarily consists of RMB-denominated cash deposits held in designated bank accounts for collateral for letters of credit. The Company classifies restricted cash as current or non-current based on the term of the restriction.

Short-Term Investments

Short-term investments as of March 31, 2022 consisted of the following available-for-sale debt securities:

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value (Net Carrying Amount)
	$	$	$	$
U.S. treasury securities	1,911,353	—	13,570	1,897,783
Total	1,911,353	—	13,570	1,897,783

Short-term investments as of December 31, 2021 consisted of the following available-for-sale debt securities:

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value (Net Carrying Amount)
	$	$	$	$
U.S. treasury securities	2,245,662	—	3,700	2,241,962
Total	2,245,662	—	3,700	2,241,962

As of March 31, 2022, the Company's available-for-sale debt securities consisted entirely of short-term U.S. treasury securities, which were determined to have zero risk of expected credit loss. Accordingly, no allowance for credit loss was recorded as of March 31, 2022.

Equity Securities with Readily Determinable Fair Values

Leap Therapeutics, Inc. (Leap)

In January 2020, the Company purchased $5,000 of Series B mandatorily convertible, non-voting preferred stock of Leap in connection with a strategic collaboration and license agreement the Company entered into with Leap. The Series B shares were subsequently converted into shares of Leap common stock and warrants to purchase additional shares of common stock upon approval of Leap's shareholders in March 2020. In September 2021, the Company purchased $7,250 of common stock in Leap's underwritten public offering. As of March 31, 2022, the Company's ownership interest in the outstanding common stock of Leap was 8.3% based on information from Leap. Inclusive of the shares of common stock issuable upon the exercise of the currently exercisable warrants, the Company's interest is approximately 13.1% based on information from Leap. The Company

measures the investment in the common stock and warrants at fair value, with changes in fair value recorded to other income (expense), net. The Company recorded unrealized losses of $16,753 and $3,051 for the three months ended March 31, 2022 and 2021, respectively, in the consolidated statements of operations. As of March 31, 2022 and December 31, 2021, the fair value of the common stock and warrants was as follows:

	As of	
	March 31, 2022	December 31, 2021
	$	$
Fair value of Leap common stock	12,860	23,809
Fair value of Leap warrants	4,502	10,306

Private Equity Securities without Readily Determinable Fair Values

The Company invests in equity securities of certain companies whose securities are not publicly traded and fair value is not readily determinable and where the Company has concluded it does not have significant influence based on its ownership percentage and other factors. These investments are recorded at cost minus impairment, if any, plus or minus changes resulting from observable price changes in orderly transactions for the identical or a similar investment of the same issuer. The Company held investments of $44,091 and $43,722 in equity securities without readily determinable fair values as of March 31, 2022 and December 31, 2021, respectively. The Company recorded a gain of $366 related to an observable price change in an orderly transaction for a similar investment of the same issuer for the three months ended March 31, 2022 to other income (expense), net in the consolidated statements of operations.

Equity-Method Investments

The Company records equity-method investments at cost and subsequently adjusts the basis based on the Company's ownership percentage in the investee's income and expenses, as well as dividends, if any. The Company holds equity-method investments totaling $22,437 and $22,955 as of March 31, 2022 and December 31, 2021, respectively, that it does not consider to be individually significant to its financial statements. The Company recorded unrealized losses of $587 and $276 for the three months ended March 31, 2022 and 2021, respectively, to other income (expense), net in the consolidated statements of operations.

5. Inventories

The Company’s inventory balance consisted of the following:

	As of	
	March 31, 2022	December 31, 2021
	$	$
Raw materials	94,464	78,140
Work in process	21,972	9,397
Finished goods	129,192	155,089
Total inventories	245,628	242,626

6. Property, plant and equipment

Property, plant and equipment are recorded at cost and consisted of the following:

	As of	
	March 31, 2022	December 31, 2021
	$	$
Land	65,485	65,485
Laboratory equipment	127,989	118,203
Leasehold improvements	56,200	50,288
Building	198,032	144,083
Manufacturing equipment	126,882	119,585
Software, electronics and office equipment	33,935	27,404
Property, plant and equipment, at cost	608,523	525,048
Less: accumulated depreciation	(137,509)	(124,286)
Construction in progress	153,659	186,843
Property, plant and equipment, net	624,673	587,605

In November 2021, the Company purchased a 42-acre site located in Hopewell, NJ for $75,197. The total purchase price was allocated between the land and an existing building on the property based on their relative fair values. The Company plans to construct a biologics manufacturing facility and research and development center on the land. Construction had not yet commenced as of March 31, 2022.

As of March 31, 2022 and December 31, 2021, construction in progress ("CIP") of $153,659 and $186,843, respectively, was primarily related to the buildout of additional capacity at the Guangzhou and Suzhou manufacturing facilities.

Depreciation expense was $15,580 and $9,444 for the three months ended March 31, 2022 and 2021, respectively.

7. Intangible Assets

Intangible assets as of March 31, 2022 and December 31, 2021 are summarized as follows:

	As of					
	March 31, 2022			December 31, 2021		
	Gross carrying amount	Accumulated amortization	Intangible assets, net	Gross carrying amount	Accumulated amortization	Intangible assets, net
	$	$	$	$	$	$
Finite-lived intangible assets:						
Product distribution rights	7,500	(3,438)	4,062	7,500	(3,250)	4,250
Developed product	43,543	(1,798)	41,745	43,394	(965)	42,429
Trading license	816	(816)	—	816	(816)	—
Total finite-lived intangible assets	51,859	(6,052)	45,807	51,710	(5,031)	46,679

Product distribution rights consist of distribution rights on the approved cancer therapies licensed from BMS as part of the BMS collaboration. The Company is amortizing the product distribution rights, as a single identified asset, over a period of 10 years from the date of acquisition. Developed products represent the post-approval milestone payments under license and commercialization agreements. The Company is amortizing the developed products over the remainder of the respective product patent or the term of the commercialization agreements. Trading license represents the Guangzhou drug distribution license acquired in September 2018. The Company amortized the drug distribution trading license over the remainder of the initial license term through February 2020. The trading license has been renewed through February 2024.

Amortization expense for developed product is included in cost of sales - product in the accompanying consolidated statements of operations. Amortization expense for product distribution rights and the trading licenses is included in operating expenses in the accompanying consolidated statements of operations.

The weighted-average life for each finite-lived intangible assets is approximately 13 years. Amortization expense was as follows:

	Three Months Ended March 31,	
	2022	2021
	$	$
Amortization expense - Cost of sales - product	832	—
Amortization expense - Operating expense	188	188
	1,020	188

Estimated amortization expense for each of the five succeeding years and thereafter, as of March 31, 2022 is as follows:

Year Ending December 31,	Cost of Sales - Product	Operating Expenses	Total
	$	$	$
2022 (remainder of year)	2,493	562	3,055
2023	3,324	750	4,074
2024	3,324	750	4,074
2025	3,324	750	4,074
2026	3,324	750	4,074
2027 and thereafter	25,956	500	26,456
Total	41,745	4,062	45,807

8. Income Taxes

Income tax expense was $13,025 for the three months ended March 31, 2022, compared to income tax benefit of $4,630 for the three months ended March 31, 2021. The income tax expense for the three months ended March 31, 2022 relating to income reported to certain subsidiaries was primarily attributable to (i) China tax expense determined after certain non-deductible expenses and (ii) U.S. tax expense determined after research and development tax credits and other special tax deductions. The income tax benefit for the three months ended March 31, 2021 relating to income reported to certain subsidiaries was primarily attributable to (i) deferred U.S. tax benefit of stock-based compensation deductions in excess of (ii) China tax expense determined after certain non-deductible expenses.

On a quarterly basis, the Company evaluates the realizability of deferred tax assets by jurisdiction and assesses the need for a valuation allowance. In assessing the realizability of deferred tax assets, the Company considers historical profitability, evaluation of scheduled reversals of deferred tax liabilities, projected future taxable income and tax-planning strategies. Valuation allowances have been provided on deferred tax assets where, based on all available evidence, it was considered more likely than not that some portion or all of the recorded deferred tax assets will not be realized in future periods. After consideration of all positive and negative evidence, the Company believes that as of March 31, 2022, it is more likely than not that deferred tax assets will not be realized for the Company's subsidiaries in Australia and Switzerland, in certain subsidiaries in China and for all U.S. tax credit carryforwards.

As of March 31, 2022, the Company had gross unrecognized tax benefits of $10,814. The Company does not anticipate that the amount of existing unrecognized tax benefits will significantly change within the next 12 months. The Company's reserve for uncertain tax positions increased by $889 in the three months ended March 31, 2022 primarily due to U.S. federal and state tax credits and incentives.

The Company has elected to record interest and penalties related to income taxes as a component of income tax expense. As of March 31, 2022 and December 31, 2021, the Company's accrued interest and penalties, where applicable, related to uncertain tax positions were not material.

The Company conducts business in a number of tax jurisdictions and, as such, is required to file income tax returns in multiple jurisdictions globally. As of March 31, 2022, Australia tax matters are open to examination for the years 2013 through 2022, China tax matters are open to examination for the years 2011 through 2022, Switzerland tax matters are open to examination for the years 2018 through 2022, and U.S. federal tax matters are open to examination for years 2015 through 2022. Various U.S. states and other non-US tax jurisdictions in which the Company files tax returns remain open to examination for 2011 through 2022.

9. Supplemental Balance Sheet Information

The roll-forward of the allowance for credit losses related to trade accounts receivable for the three months ended March 31, 2022 and 2021 consists of the following activity:

	Three Months Ended March 31,	
	2022	2021
	$	$
Balance at beginning of the period	415	112
Current period provision for expected credit losses	(241)	48
Amounts written-off	—	—
Exchange rate changes	19	1
Balance at end of the period	193	161

Prepaid expenses and other current assets consist of the following:

	As of	
	March 31, 2022	December 31, 2021
	$	$
Prepaid research and development costs	83,874	87,239
Prepaid manufacturing cost	76,388	78,538
Prepaid taxes	52,725	58,579
Other receivables	20,249	12,010
Interest receivable	5,299	5,052
Prepaid insurance	1,906	1,695
Other current assets	25,995	27,060
Total	266,436	270,173

Other non-current assets consist of the following:

	As of	
	March 31, 2022	December 31, 2021
	$	$
Goodwill	109	109
Prepayment of property and equipment	17,784	14,140
Prepayment of facility capacity expansion activities (1)	24,839	24,237
Prepaid VAT	30,967	17,162
Rental deposits and other	6,965	6,609
Long-term investments (Note 4)	83,890	100,792
Total	164,554	163,049

(1) Represents payments for facility expansions under commercial supply agreements. The payments are providing future benefit to the Company through credits on commercial supply purchases.

Accrued expenses and other payables consist of the following:

	As of	
	March 31, 2022	December 31, 2021
	$	$
Compensation related	70,112	139,966
External research and development activities related	112,825	213,922
Commercial activities	79,366	71,560
Employee tax withholdings	21,328	45,661
Sales rebates and returns related	74,500	59,639
Professional fees and other	27,845	27,307
Total	385,976	558,055

Other long-term liabilities consist of the following:

	As of	
	March 31, 2022	December 31, 2021
	$	$
Deferred government grant income	43,988	46,352
Pension liability	7,759	7,814
Other	81	68
Total	51,828	54,234

10. Debt

The following table summarizes the Company's short-term and long-term debt obligations as of March 31, 2022 and December 31, 2021:

Lender	Agreement Date	Line of Credit	Term	Maturity Date	Interest Rate	As of March 31, 2022		As of December 31, 2021	
						$	RMB	$	RMB
China Construction Bank	April 4, 2018	RMB580,000	9-year	April 4, 2027	(1)	1,262	8,000	1,255	8,000
China Merchants Bank	January 22, 2020	(2)	9-year	January 20, 2029	(2)	1,578	10,000	1,569	10,000
China Merchants Bank	November 9, 2020	RMB378,000	9-year	November 8, 2029	(3)	1,182	7,500	—	—
China Minsheng Bank (the "Senior Loan")	September 24, 2020	$200,000		(4)	4.5 %	200,000	1,267,829	200,000	1,274,535
Zhuhai Hillhouse (the "Related Party Loan")	September 24, 2020	RMB500,000		(5)	4.5 %	15,776	100,000	15,693	100,000
Shanghai Pudong Development Bank	February 25, 2022	$50,000	1-year	February 25, 2023	2.2 %	50,000	316,957	—	—
Other short-term debt (6)						137,589	872,197	209,048	1,332,197
Total short-term debt						407,387	2,582,483	427,565	2,724,732
China Construction Bank	April 4, 2018	RMB580,000	9-year	April 4, 2027	(1)	89,918	570,000	89,444	570,000
China Merchants Bank	January 22, 2020	(2)	9-year	January 20, 2029	(2)	53,241	337,500	53,353	340,000
China Merchants Bank	November 9, 2020	RMB378,000	9-year	November 8, 2029	(3)	58,446	370,500	59,316	378,000
Total long-term bank loans						201,605	1,278,000	202,113	1,288,000

1. The outstanding borrowings bear floating interest rates benchmarking RMB loan interest rates of financial institutions in the PRC. The loan interest rate was 4.9% as of March 31, 2022. The loan is secured by BeiGene Guangzhou Factory's land use right and certain Guangzhou Factory fixed assets in the first phase of the Guangzhou manufacturing facility's build out.

2. On January 22, 2020, BeiGene Guangzhou Factory entered into a nine-year bank loan with China Merchants Bank to borrow up to RMB1,100,000 at a floating interest rate benchmarked against prevailing interest rates of certain PRC financial institutions. The loan is secured by Guangzhou Factory's second land use right and fixed assets that will be placed into service upon completion of the second phase of the Guangzhou manufacturing facility's build out. In connection with the Company's short-term loan agreements with China Merchants Bank entered into during the year ended December 31,

2020, the borrowing capacity was reduced from RMB1,100,000 to RMB350,000. The loan interest rate was 4.4% as of March 31, 2022. The Company repaid $393(RMB2,500) during the three months ended March 31, 2022.

3. The outstanding borrowings bear floating interest rates benchmarking RMB loan interest rates of financial institutions in the PRC. The loan interest rate was 4.3% as of March 31, 2022. The loan is secured by fixed assets that will be placed into service upon completion of the third phase of the Guangzhou manufacturing facility's build out.

4. In September 2020, the Company entered into a loan agreement with China Minsheng Bank for a total loan facility of up to $200,000 (Senior Loan), of which $120,000 was designated to fund the purchase of noncontrolling equity interest in BeiGene Biologics from Guangzhou GET Technology Development Co., Ltd. (now Guangzhou High-tech Zone Technology Holding Group Co., Ltd.) (GET) and repayment of the loan provided by GET (Shareholder Loan) and $80,000 was designated for general working capital purposes. The Senior Loan has an original maturity date of October 8, 2021, which is the first anniversary of the first date of utilization of the loan. The Company may extend the original maturity date for up to two additional 12 month periods. On October 8, 2021, the Company extended the maturity date for twelve months to October 8, 2022 and repurposed the Senior Loan for general working capital purposes.

5. In September 2020, the Company entered into a loan agreement with Zhuhai Hillhouse Zhaohui Equity Investment Partnership (Zhuhai Hillhouse) for a total loan facility of $73,640 (RMB500,000) (Related Party Loan), of which $14,728 (RMB100,000) can be used for general corporate purposes and $58,912 (RMB400,000) can only be applied towards the repayment of the Senior Loan facility, including principal, interest and fees. The loan matures at the earlier of: (i) November 9, 2021, which is one month after the Senior Loan maturity date, if not extended, or (ii) 10 business days after the Senior Loan is fully repaid. On October 8, 2021, the Company extended the maturity date of the Related Party Loan to the earlier of: (i) November 9, 2022, which is one month after the Senior Loan maturity date, if not extended, or (ii) 10 business days after the Senior Loan is fully repaid. Zhuhai Hillhouse is a related party of the Company, as it is an affiliate of Hillhouse Capital. Hillhouse Capital is a shareholder of the Company, and a Hillhouse Capital employee is a member of the Company's board of directors.

6. During the year ended December 31, 2021 and 2020, the Company entered into additional short-term working capital loans with China Industrial Bank and China Merchants Bank to borrow up to RMB1,760,000 in aggregate, with maturity dates ranging from April 19, 2021 to December 15, 2022. The Company repaid $72,754 (RMB460,000) of the short-term loans in the three months ended March 31, 2022. The weighted average interest rate for the short-term working capital loans was approximately 4.2% as of March 31, 2022.

Interest Expense

Interest expense recognized for the three months ended March 31, 2022 and 2021 was $5,528 and $6,950, respectively, among which, $1,281 and $104 was capitalized, respectively.

11. Product Revenue

The Company’s product revenue is primarily derived from the sale of its internally developed products BRUKINSA® in the United States and China, and tislelizumab and pamiparib in China; REVLIMID® and VIDAZA® in China under a license from BMS; XGEVA®, BLINCYTO® and KYPROLIS® in China under a license from Amgen; and POBEVCY® in China under a license from Bio-Thera.

The table below presents the Company’s net product sales for the three months ended March 31, 2022 and 2021.

	Three Months Ended March 31,	
	2022	2021
	$	$
Product revenue – gross	295,388	143,482
Less: Rebates and sales returns	(33,815)	(37,365)
Product revenue – net	261,573	106,117

The following table disaggregates net product sales by product for the three months ended March 31, 2022 and 2021:

	Three Months Ended March 31,	
	2022	2021
	$	$
BRUKINSA®	104,325	22,090
Tislelizumab	87,643	48,879
REVLIMID®	21,660	16,629
XGEVA®	13,499	14,454
BLINCYTO®	11,866	—
POBEVCY®	6,815	—
VIDAZA®	5,512	3,706
KYPROLIS®	4,313	—
Pamiparib	2,555	—
Other	3,385	359
Total product revenue – net	261,573	106,117

The following table presents the roll-forward of accrued sales rebates and returns for the three months ended March 31, 2022 and 2021:

	Three Months Ended March 31,	
	2022	2021
	$	$
Balance at beginning of the period	59,639	11,874
Accrual	33,815	37,365
Payments	(18,954)	(3,574)
Balance at end of the period	74,500	45,665

12. (Loss) Earnings Per Share

The following table reconciles the numerator and denominator in the computations of basic and diluted (loss) earnings per share:

	Three Months Ended March 31,	
	2022	2021
	$	$
Numerator:		
Net (loss) income	(434,274)	66,495
Denominator:		
Weighted average shares outstanding—basic	1,332,017,262	1,188,943,726
Effect of dilutive securities:		
Stock options, restricted stock units and ESPP shares	—	68,545,945
Weighted average shares outstanding—diluted	1,332,017,262	1,257,489,671

For the three months ended March 31, 2022, the computation of basic loss per share using the two-class method was not applicable as the Company was in a net loss position, and the effects of all share options, restricted shares, restricted share units and ESPP shares were excluded from the calculation of diluted loss per share, as their effect would have been anti-dilutive.

For the three months ended March 31, 2021, basic earnings per share was computed using the weighted-average number of ordinary shares outstanding during the period. Diluted earnings per share was computed using the weighted-average number of ordinary shares and the effect of potentially dilutive shares outstanding during the periods. Potentially dilutive shares consist of

stock options, restricted stock units and ESPP shares. The dilutive effect of outstanding stock options, restricted stock units and ESPP shares is reflected in diluted net earnings per share by application of the treasury stock method.

13. Share-Based Compensation Expense

2016 Share Option and Incentive Plan

In January 2016, in connection with the Company's initial public offering ("IPO") on the NASDAQ Stock Market, the board of directors and shareholders of the Company approved the 2016 Share Option and Incentive Plan (the "2016 Plan"), which became effective in February 2016. The Company initially reserved 65,029,595 ordinary shares for the issuance of awards under the 2016 Plan, plus any shares available under the 2011 Option Plan (the "2011 Plan"), and not subject to any outstanding options as of the effective date of the 2016 Plan, along with underlying share awards under the 2011 Plan that are cancelled or forfeited without issuance of ordinary shares. As of March 31, 2022, ordinary shares cancelled or forfeited under the 2011 Plan that were carried over to the 2016 Plan totaled 5,166,510. In December 2018, the shareholders approved an amended and restated 2016 Plan to increase the number of shares authorized for issuance by 38,553,159 ordinary shares, as well as amend the cap on annual compensation to independent directors and make other changes. In June 2020, the shareholders approved an Amendment No. 1 to the 2016 Plan to increase the number of shares authorized for issuance by 57,200,000 ordinary shares and to extend the term of the plan through April 13, 2030. The number of shares available for issuance under the 2016 Plan is subject to adjustment in the event of a share split, share dividend or other change in the Company's capitalization.

During the three months ended March 31, 2022, the Company granted options for 723,541 ordinary shares and restricted share units for 3,162,341 ordinary shares under the 2016 Plan. As of March 31, 2022, options and restricted share units for ordinary shares outstanding under the 2016 Plan totaled 56,847,235 and 36,351,497, respectively. As of March 31, 2022, share-based awards to acquire 48,054,590 ordinary shares were available for future grant under the 2016 Plan.

In order to continue to provide incentive opportunities under the 2016 Plan, the Board of Directors of the Company has approved, subject to shareholder approval, an amendment to the 2016 Plan (the "Amendment No. 2") to increase the number of authorized shares available for issuance under the 2016 Plan by 66,300,000 ordinary shares, or 5% of the Company's outstanding shares as of March 31, 2022.

2018 Inducement Equity Plan

In June 2018, the board of directors of the Company approved the 2018 Inducement Equity Plan (the "2018 Plan") and reserved 12,000,000 ordinary shares to be used exclusively for grants of awards to individuals that were not previously employees of the Company or its subsidiaries, as a material inducement to the individual's entry into employment with the Company or its subsidiaries within the meaning of Rule 5635(c)(4) of the NASDAQ Listing Rules. The 2018 Plan was approved by the board of directors upon recommendation of the compensation committee, without shareholder approval pursuant to Rule 5635(c)(4) of the NASDAQ Listing Rules. The terms and conditions of the 2018 Plan, and the forms of award agreements to be used thereunder, are substantially similar to the 2016 Plan and the forms of award agreements thereunder. In August 2018, in connection with the Hong Kong IPO, the board of directors of the Company approved an amended and restated 2018 Plan to implement changes required by the listing rules of the Stock Exchange of Hong Kong Limited (HKEx).

During the three months ended March 31, 2022, the Company did not grant any options or restricted share units under the 2018 Plan. As of March 31, 2022, options and restricted share units for ordinary shares outstanding under the 2018 Plan totaled 30,901 and 492,154, respectively. As of March 31, 2022, share-based awards to acquire 9,358,660 ordinary shares were available for future grant under the 2018 Plan.

The Board of Directors of the Company has approved that subject to and conditioned upon the effectiveness of Amendment No. 2 to the 2016 Plan, the 2018 Plan shall be terminated to the effect that no new equity awards shall be granted under the plan but the outstanding equity awards under the plan shall continue to vest and/or be exercisable in accordance with their terms.

2018 Employee Share Purchase Plan

In June 2018, the shareholders of the Company approved the 2018 Employee Share Purchase Plan (the "ESPP"). Initially, 3,500,000 ordinary shares of the Company were reserved for issuance under the ESPP. In December 2018, the board of directors of the Company approved an amended and restated ESPP to increase the number of shares authorized for issuance by 3,855,315 ordinary shares to 7,355,315 ordinary shares. In June 2019, the board of directors adopted an amendment to revise the eligibility criteria for enrollment in the plan. In June 2021, the board of directors of the Company adopted the third amended and restated ESPP to include certain technical amendments under U.S. tax rules and to consolidate the changes in the prior

amendment, to be effective on September 1, 2021. The ESPP allows eligible employees to purchase the Company's ordinary shares (including in the form of ADSs) at the end of each offering period, which will generally be six months, at a 15% discount to the market price of the Company's ADSs at the beginning or the end of each offering period, whichever is lower, using funds deducted from their payroll during the offering period. Eligible employees are able to authorize payroll deductions of up to 10% of their eligible earnings, subject to applicable limitations.

As of March 31, 2022, 4,527,386 ordinary shares were available for future issuance under the ESPP.

The following tables summarizes the shares issued under the ESPP:

		Market Price[1]		Purchase Price[2]		
Issuance Date	Number of Ordinary Shares Issued	ADS	Ordinary	ADS	Ordinary	Proceeds
February 28, 2022	667,160	$ 210.52	$ 16.19	$ 178.94	$ 13.76	$ 9,183
August 31, 2021	425,386	$ 308.30	$ 23.72	$ 262.06	$ 20.16	$ 8,575
February 26, 2021	436,124	$ 236.30	$ 18.18	$ 200.86	$ 15.45	$ 6,738

[1] The market price is the lower of the closing price on the NASDAQ Stock Market on the issuance date or the offering date, in accordance with the terms of the ESPP.

[2] The purchase price is the price which was discounted from the applicable market price, in accordance with the terms of the ESPP.

The following table summarizes total share-based compensation expense recognized for the three months ended March 31, 2022 and 2021:

	Three Months Ended March 31,	
	2022	2021
	$	$
Research and development	30,858	21,889
Selling, general and administrative	34,697	23,944
Total	65,555	45,833

14. Accumulated Other Comprehensive Income

The movement of accumulated other comprehensive income was as follows:

	Foreign Currency Translation Adjustments	Unrealized Gains/(Losses) on Available-for-Sale Securities	Pension Liability Adjustments	Total
	$	$	$	$
Balance as of December 31, 2021	27,898	(3,700)	(6,248)	17,950
Other comprehensive income (loss) before reclassifications	9,374	(9,870)	—	(496)
Amounts reclassified from accumulated other comprehensive income (1)	—	—	—	—
Net-current period other comprehensive income (loss)	9,374	(9,870)	—	(496)
Balance as of March 31, 2022	37,272	(13,570)	(6,248)	17,454

(1) The amounts reclassified from accumulated other comprehensive income were included in other income (expense), net in the consolidated statements of operations.

15. Shareholders' Equity

Share Purchase Agreement

In September 2021, the Company issued an aggregate of 165,529 ADSs, representing 2,151,877 ordinary shares, to Amgen for a total consideration of $50,000, in a private placement pursuant to a Share Purchase Agreement dated October 31, 2019, as amended on December 6, 2019 and September 24, 2020 by and between Amgen and Company.

STAR Offering

In December 2021, the Company completed an initial public offering of (STAR Offering) on the Science and Technology Innovation Board (STAR Market) of the Shanghai Stock Exchange (SSE). The shares offered in the STAR Offering were issued to and subscribed for by permitted investors in the People's Republic of China (PRC) in Renminbi (RMB Shares). The public offering price of the RMB Shares was RMB192.60 per ordinary share, or $391.68 per ADS. In this offering, the Company sold 115,055,260 ordinary shares. Net proceeds after deducting underwriting discounts and commission and offering expenses were $3,392,616. As required by the PRC securities laws, the net proceeds from the STAR Offering must be used in strict compliance with the planned uses as disclosed in the PRC prospectus as well as the Company's proceeds management policy for the STAR Offering approved by the board of directors.

16. Restricted Net Assets

The Company's ability to pay dividends may depend on the Company receiving distributions of funds from its PRC subsidiaries. Relevant PRC statutory laws and regulations permit payments of dividends by the Company's PRC subsidiaries only out of the subsidiary's retained earnings, if any, as determined in accordance with PRC accounting standards and regulations. The results of operations reflected in the condensed consolidated financial statements prepared in accordance with GAAP differ from those reflected in the statutory financial statements of the Company's PRC subsidiaries.

In accordance with the company law of the PRC, a domestic enterprise is required to provide statutory reserves of at least 10% of its annual after-tax profit until such reserve has reached 50% of its respective registered capital based on the enterprise's PRC statutory accounts. A domestic enterprise is also required to provide discretionary surplus reserve, at the discretion of the board of directors, from the profits determined in accordance with the enterprise's PRC statutory accounts. The aforementioned reserves can only be used for specific purposes and are not distributable as cash dividends. The Company's PRC subsidiaries were established as domestic enterprises and therefore are subject to the above-mentioned restrictions on distributable profits.

As a result of these PRC laws and regulations, including the requirement to make annual appropriations of at least 10% of after-tax income and set aside as general reserve fund prior to payment of dividends, the Company's PRC subsidiaries are restricted in their ability to transfer a portion of their net assets to the Company.

Foreign exchange and other regulations in the PRC may further restrict the Company's PRC subsidiaries from transferring funds to the Company in the form of dividends, loans and advances. As of March 31, 2022 and December 31, 2021, amounts restricted were the net assets of the Company's PRC subsidiaries, which amounted to $2,691,859 and $799,574, respectively.

17. Commitments and Contingencies

Purchase Commitments

As of March 31, 2022, the Company had purchase commitments amounting to $122,485, of which $65,487 related to minimum purchase requirements for supply purchased from contract manufacturing organizations and $56,998 related to binding purchase obligations of inventory from BMS and Amgen. The Company does not have any minimum purchase requirements for inventory from BMS or Amgen.

Capital Commitments

The Company had capital commitments amounting to $239,436 for the acquisition of property, plant and equipment as of March 31, 2022, which were mainly for the Company's manufacturing and clinical R&D campus in Hopewell, NJ, biologics manufacturing facility in Guangzhou, China, small molecule manufacturing facility in Suzhou, China, and research and development operations at the Changping facility in Beijing, China.

Co-Development Funding Commitment

Under the Amgen Collaboration Agreement, the Company is responsible for co-funding global development costs for the Amgen oncology pipeline assets up to a total cap of $1,250,000. The Company is funding its portion of the co-development costs by contributing cash and development services. As of March 31, 2022, the Company's remaining co-development funding commitment was $746,844.

Research and Development Commitment

The Company entered into a long-term research and development agreement in June 2021, which includes obligations to make an upfront payment and fixed quarterly payments over the next five years. As of March 31, 2022, the total research and development commitment amounted to $26,579.

Funding Commitment

The Company had committed capital related to an equity method investment in the amount of $15,000. As of March 31, 2022, the remaining capital commitment was $12,750 and is expected to be paid from time to time over the investment period.

Pension Commitment

The Company maintains a defined benefit pension plan in Switzerland. Funding obligations under the defined benefit pension plan are equivalent to $1,593 per year based on annual funding contributions in effect as of March 31, 2022 to achieve fully funded status where the market value of plan assets equals the projected benefit obligations. Future funding requirements will be subject to change as a result of future changes in staffing and compensation levels, various actuarial assumptions and actual investment returns on plan assets.

Other Business Agreements

The Company enters into agreements in the ordinary course of business with contract research organizations ("CROs") to provide research and development services. These contracts are generally cancelable at any time by us with prior written notice.

The Company also enters into collaboration agreements with institutions and companies to license intellectual property. The Company may be obligated to make future development, regulatory and commercial milestone payments and royalty payments on future sales of specified products associated with its collaboration agreements. Payments under these agreements generally become due and payable upon achievement of such milestones or sales. These commitments are not recorded on the Company's balance sheet because the achievement and timing of these milestones are not fixed and determinable. When the achievement of these milestones or sales have occurred, the corresponding amounts are recognized in the Company's financial statements.

18. Segment and Geographic Information

The Company operates in one segment: pharmaceutical products. Its chief operating decision maker is the Chief Executive Officer, who makes operating decisions, assesses performance and allocates resources on a consolidated basis.

The Company's long-lived assets are primarily located in the PRC and the U.S.

Net product revenues by geographic area are based upon the location of the customer, and net collaboration revenue is recorded in the jurisdiction in which the related income is expected to be sourced from. Total net revenues by geographic area are presented as follows:

	Three Months Ended March 31,	
	2022	2021
	$	$
PRC	190,735	95,982
United States	99,425	359,963
Rest of world	16,466	149,927
Total	306,626	605,872

PRC revenues consisted entirely of product revenues for the three months ended March 31, 2022 and 2021. U.S. revenues for the three months ended March 31, 2022 consisted of collaboration revenue of $31,537 and BRUKINSA® product sales of $67,888, respectively. U.S. revenues for the three months ended March 31, 2021 consisted of $349,828 of collaboration revenue and $10,135 of BRUKINSA® product sales. Rest of world revenues for the three months ended March 31, 2022 consisted of collaboration revenue of $13,516 and BRUKINSA® product sales of $2,950, respectively. Rest of world revenues consisted entirely of collaboration revenues for the three months ended March 31, 2021.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

You should read the following discussion and analysis of our financial condition and results of operations in conjunction with our condensed consolidated financial statements (unaudited) and related notes included in the section of this Quarterly Report on Form 10-Q (this "Quarterly Report"), titled "Part I – Item 1 – Financial Statements." This Quarterly Report contains forward-looking statements that are based on management's beliefs and assumptions and on information currently available to management. All statements other than statements of historical facts contained in this Quarterly Report are forward-looking statements. In some cases, you can identify forward-looking statements by the following words: "aim," "anticipate," "believe," "can," "continue," "could," "estimate," "expect," "goal," "intend," "may," "ongoing," "plan," "potential," "predict," "project," "seek," "should," "target," "will," "would," or the negative of these terms or other similar expressions, although not all forward-looking statements contain these words. These forward-looking statements, include, but are not limited to, statements regarding: our ability to successfully commercialize our approved medicines and to obtain approvals in additional indications and territories for our medicines; our ability to successfully develop and commercialize our in-licensed medicines and drug candidates and any other medicines and drug candidates we may in-license; our ability to successfully develop and commercialize oncology assets licensed from our partners pursuant to our global strategic oncology collaborations; our ability to further develop sales and marketing capabilities and launch and commercialize new medicines, if approved; our ability to maintain and expand regulatory approvals for our medicines and drug candidates, if approved; the pricing and reimbursement of our medicines and drug candidates, if approved; the initiation, timing, progress and results of our preclinical studies and clinical trials and our research and development programs; our ability to advance our drug candidates into, and successfully complete, clinical trials and obtain regulatory approvals; our reliance on the success of our clinical stage drug candidates; our plans, expected milestones and the timing or likelihood of regulatory filings and approvals; the implementation of our business model, strategic plans for our business, medicines, drug candidates and technology; the scope of protection we (or our licensors) are able to establish and maintain for intellectual property rights covering our medicines, drug candidates and technology; the scope of protection we (or our licensors) are able to establish and maintain for intellectual property rights covering our medicines, drug candidates and technology; our ability to operate our business without infringing, misappropriating or otherwise violating the intellectual property rights and proprietary technology of third parties; costs associated with enforcing or defending against intellectual property infringement, misappropriation or violation, product liability and other claims; regulatory environment and regulatory developments in the United States, the People's Republic of China ("China" or "PRC"), the United Kingdom, the European Union ("EU") and other jurisdictions in which we operate; the accuracy of our estimates regarding expenses, revenues, capital requirements and our need for additional financing; the potential benefits of strategic collaboration and licensing agreements and our ability to enter into strategic arrangements; our ability to maintain and establish collaborations or licensing agreements; our reliance on third parties to conduct drug development, manufacturing and other services; our ability to manufacture and supply, or have manufactured and supplied, drug candidates for clinical development and medicines for commercial sale; the rate and degree of market access and acceptance and the pricing and reimbursement of our medicines and drug candidates, if approved; developments relating to our competitors and industry, including competing therapies; the size of the potential markets for our medicines and drug candidates and our ability to serve those markets; our ability to effectively manage our growth; our ability to attract and retain qualified employees and key personnel; statements regarding future revenue, hiring plans, expenses, capital expenditures, capital requirements and share performance; the future trading price of our ADSs, ordinary shares and RMB Shares, and impact of securities analysts' reports on these prices; the impact of the COVID-19 pandemic on our clinical development, commercial, manufacturing, and other operations; and other risks and uncertainties, including those listed under "Part II – Item 1A – Risk Factors" of this Quarterly Report. These statements involve risks, uncertainties and other factors that may cause actual results, levels of activity, performance or achievements to be materially different from the information expressed or implied by these forward-looking statements. Given these uncertainties, you should not place undue reliance on these forward-looking statements. Factors that may cause actual results to differ materially from current expectations include, among other things, those described in "Part II – Item 1A – Risk Factors" of this Quarterly Report. These forward-looking statements speak only as of the date hereof. Except as required by law, we assume no obligation to update or revise these forward-looking statements for any reason, even if new information becomes available in the future. Unless the context requires otherwise, in this Quarterly Report, the terms "BeiGene," the "Company," "we," "us" and "our" refer to BeiGene, Ltd. and its subsidiaries, on a consolidated basis.

Overview

We are a global, commercial-stage biotechnology company focused on discovering, developing, manufacturing, and commercializing innovative medicines to improve treatment outcomes and expand access for patients worldwide.

We currently have three approved medicines that were discovered and developed in our own labs, including BRUKINSA®, a small molecule inhibitor of Bruton's Tyrosine Kinase (BTK) for the treatment of various blood cancers; tislelizumab, an anti-PD-1 antibody immunotherapy for the treatment of various solid tumor and blood cancers; and pamiparib, a selective small molecule inhibitor of PARP1 and PARP2. We have obtained approvals to market BRUKINSA® in the United States, China, EU, the United Kingdom (U.K.), Canada, Australia and additional international markets, and tislelizumab and pamiparib in

China. By leveraging our China commercial capabilities, we have in-licensed the rights to distribute 13 approved medicines for the China market. Supported by our global clinical development and commercial capabilities, we have entered into collaborations with world-leading biopharmaceutical companies such as Amgen Inc. (Amgen) and Novartis Pharma AG (Novartis) to develop and commercialize innovative medicines.

We are committed to advancing best and first-in-class clinical candidates internally or with like-minded partners to develop impactful and affordable medicines for patients across the globe. Our internal clinical development capabilities are deep, including a more than 2,300-person global clinical development team that is running more than 90 ongoing or planned clinical trials in over 30 medicines and drug candidates. This includes more than 30 pivotal or potentially registration-enabling trials across our portfolio, including our three internally discovered, approved medicines. We have enrolled in our clinical trials more than 16,000 subjects, of which approximately one-half have been outside of China.

We have built, and are expanding, our internal manufacturing capabilities through our state-of-the-art biologic and small molecule manufacturing facilities in China to support current and potential future demand of our medicines, and are building a commercial-stage biologics manufacturing and clinical R&D center in New Jersey. We also work with high quality contract manufacturing organizations (CMOs) to manufacture our internally developed clinical and commercial products.

Since our inception in 2010, we have become a fully integrated global organization of over 8,300 employees in 28 countries and regions, including the United States, China, Europe, and Australia.

Recent Developments

Recent Business Developments

On May 4, 2022, we announced that the China National Medical Products Administration (NMPA) granted conditional approval of BLINCYTO® (blinatumomab) for injection for the treatment of pediatric patients with relapsed or refractory (R/R) CD19-positive B-cell precursor acute lymphoblastic leukemia (ALL).

On April 27, 2022, we announced that the Independent Data Monitoring Committee (IDMC) determined at a pre-planned interim analysis that RATIONALE 306, a global Phase 3 trial of tislelizumab in combination with chemotherapy, had met the study's primary endpoint of overall survival (OS) in patients with previously untreated advanced or metastatic esophageal squamous cell carcinoma (ESCC).

On April 19, 2022, we announced the presentation of updated data analyses from the Phase 3 RATIONALE-309 trial of tislelizumab, a humanized anti-PD-1 monoclonal antibody, in combination with chemotherapy versus chemotherapy plus placebo as a first-line treatment for patients with recurrent or metastatic nasopharyngeal cancer (RM-NPC), at the virtual American Society of Clinical Oncology (ASCO) Plenary Series on April 19, 2022.

On April 15, 2022, we announced that the NMPA granted approval to our anti-PD-1 antibody, tislelizumab, as a treatment for patients with locally advanced or metastatic esophageal squamous cell carcinoma (ESCC) who have disease progression or are intolerant to first-line standard chemotherapy.

On April 11, 2022, we announced results from the Phase 3 ALPINE trial showing BTK inhibitor BRUKINSA® (zanubrutinib) demonstrated superiority versus ibrutinib in overall response rate (ORR) as assessed by an IRC in adult patients with R/R chronic lymphocytic leukemia (CLL) or small lymphocytic lymphoma (SLL).

On April 6, 2022, we announced that marketing authorization applications (MAA) for tislelizumab, submitted by Novartis, the license holder in Europe, have been validated for regulatory review by the European Medicines Agency (EMA) for patients with advanced or metastatic ESCC after prior systemic chemotherapy and for patients with non-small cell lung cancers (NSCLC) including as monotherapy for the treatment of locally advanced or metastatic NSCLC after prior chemotherapy in adults; in combination with carboplatin and either paclitaxel or nab-paclitaxel for the first-line treatment of locally advanced or metastatic squamous NSCLC in adults; and in combination with pemetrexed and platinum-containing chemotherapy for the first-line treatment of locally advanced or metastatic non-squamous NSCLC in adults whose tumors have no EGFR or ALK positive mutations.

On March 25, 2022, we announced the appointment of Ernst & Young LLP based in Boston, Massachusetts, as principal auditor for our financial statements and internal control over financial reporting for the fiscal year ending December 31, 2022 to be filed with the SEC.

On March 15, 2022, we and Medison Pharma Ltd., a global pharma company focused on providing access to highly innovative therapies to patients in international markets worldwide, announced that the State of Israel Ministry of Health approved BRUKINSA® (zanubrutinib) for the treatment of adult patients with Waldenström's Macroglobulinemia (WM).

BRUKINSA® is reimbursed nationally for patients with second- or third-line WM. This is the second approval for BRUKINSA® in Israel, following its initial marketing and reimbursement approval in 2021 for patients with mantle cell lymphoma (MCL) who have received at least one prior therapy.

On March 11, 2022, we announced that the NMPA granted conditional approval to BeiGene's anti-PD-1 antibody, tislelizumab, for the treatment of adult patients with advanced unresectable or metastatic microsatellite instability-high (MSI-H) or mismatch repair deficient (dMMR) solid tumors, including patients with advanced colorectal cancer (CRC) who had been treated with fluoropyrimidine, oxaliplatin and irinotecan; and other advanced solid tumors who develop disease progression after prior treatment and have no satisfactory alternative treatment options.

On March 3, 2022, we announced that BRUKINSA® (zanubrutinib) was approved by Health Canada for the treatment of adult patients with marginal zone lymphoma (MZL) who have received at least one prior anti-CD20-based therapy.

Components of Operating Results

Revenue

Product Revenue

We generate product revenue through the sale of our three internally developed products and our in-licensed medicines from our partners.

Revenues from product sales are recognized when there is a transfer of control from the Company to the customer. The Company determines transfer of control based on when the product is delivered, and title passes to the customer. Revenues from product sales are recognized net of variable consideration resulting from rebates, chargebacks, trade discounts and allowances, sales returns allowances and other incentives. Provisions for estimated reductions to revenue are provided for in the same period the related sales are recorded and are based on contractual terms, historical experience and trend analysis.

Collaboration Revenue

We recognize collaboration revenue for amounts earned under collaborative and out-licensing arrangements. In January 2021, we entered into a collaboration and license agreement with Novartis, granting Novartis rights to develop, manufacture and commercialize tislelizumab in the United States, Canada, Mexico, member countries of the European Union, United Kingdom, Norway, Switzerland, Iceland, Liechtenstein, Russia, and Japan (the Novartis Territory). There were two performance obligations identified at the outset of the agreement: (1) the exclusive license to develop, manufacture, and commercialize tislelizumab in the Novartis Territory, transfer of know-how and use of the tislelizumab trademark and (2) conducting and completing ongoing trials of tislelizumab (R&D services). Under this agreement, we received an upfront cash payment, which was allocated between the two performance obligations identified in the agreement based on the relative standalone selling prices of the performance obligations. The portion allocated to the license was recognized upon the delivery of the license right and transfer of know-how. The portion of the upfront payment allocated to the R&D services was deferred and is being recognized as collaboration revenue as the R&D services are performed using a percentage of completion method. Estimated costs to complete are reassessed on a periodic basis and any updates to the revenue earned are recognized on a prospective basis.

In December 2021, we expanded our collaboration with Novartis by entering into an option, collaboration and license agreement with Novartis to develop, manufacture and commercialize our investigational TIGIT inhibitor ociperlimab in the Novartis Territory. In addition, we entered into an agreement with Novartis which granted us rights to market, promote and detail five approved Novartis oncology products, TAFINLAR® (dabrafenib), MEKINIST® (trametinib), VOTRIENT® (pazopanib), AFINITOR® (everolimus), and ZYKADIA® (ceritinib), across designated regions of China referred to as “broad markets.” There were three performance obligations identified at the outset of the arrangement: (1) a material right for the option to the exclusive product license, (2) the right to access ociperlimab in clinical trials during the option period provided to Novartis, combined with the initial transfer of BeiGene know-how, and (3) conducting clinical trials of ociperlimab during the option period (R&D services). The market development activities are considered immaterial in the context of the agreements. Under this agreement, we received an upfront cash payment, which was allocated between the three performance obligations identified in the agreement based on the relative standalone selling prices of the performance obligations. The portion allocated to the material right was deferred and will be recognized at the earlier of when Novartis exercises the option and the license is delivered or the expiration of the option period. The portion of the transaction price allocated to Novartis' right to access ociperlimab in its own clinical trials during the option period and the initial transfer of BeiGene know-how was deferred and is being recognized over the expected option period. The portion of the transaction price allocated to the R&D services was deferred and is being recognized as collaboration revenue as the R&D services are performed over the expected option period.

The option exercise fee under the ociperlimab agreement is contingent upon Novartis exercising its right, and is considered fully constrained until the option is exercised. The potential milestone payments that we are eligible to receive under both of the Novartis collaborations were excluded from the initial transaction prices, as all milestone amounts are variable consideration and were fully constrained due to uncertainty of achievement. Performance-based milestones will be recognized when the milestone event is achieved or when the risk of revenue reversal is remote. Sales-based milestones and royalties will be recognized when the underlying sales occur.

Expenses

Cost of Sales

Cost of sales includes the costs to manufacture our internally developed commercial products, as well as costs to purchase tislelizumab from Boehringer Ingelheim. Additionally, cost of sales included the cost of in-licensed products purchased for sale in the PRC. Costs to manufacture inventory in preparation for commercial launch of a product incurred prior to regulatory approval are expensed to research and development expense as incurred. Cost of sales for newly launched products will not be recorded until the initial pre-launch inventory is depleted and additional inventory is manufactured. To date, the Company's initial pre-launch inventory for its commercial products has been immaterial and has not had a significant impact on the Company's gross margin.

Research and Development Expenses

Research and development expenses consist of the costs associated with our research and development activities, conducting preclinical studies and clinical trials, and activities related to regulatory filings. Our research and development expenses consist of:

- expenses incurred under agreements with contract research organizations (CROs), CMOs, and consultants that conduct and support clinical trials and preclinical studies;
- costs of comparator drugs in certain of our clinical trials;
- manufacturing costs related to pre-commercial activities;
- costs associated with preclinical activities and development activities;
- costs associated with regulatory operations;
- employee-related expenses, including salaries, benefits, travel and share-based compensation expense for research and development personnel;
- in-process research and development costs expensed as part of collaboration agreements entered into; and
- other expenses, which include direct and allocated expenses for rent and maintenance of facilities, insurance and other supplies used in research and development activities.

Our current research and development activities mainly relate to the clinical advancement of our internally developed medicines and drug candidates:

- BRUKINSA® (zanubrutinib), a small molecule inhibitor of BTK;
- tislelizumab, a humanized monoclonal antibody against PD-1;
- ociperlimab, an investigational humanized monoclonal antibody against TIGIT;
- pamiparib, a selective small molecule inhibitor of PARP1 and PARP2;
- BGB-15025, an investigational hematopoietic progenitor kinase 1 (HPK1) inhibitor;
- BGB-11417, an investigational small molecular inhibitor of Bcl-2;
- BGB-A445, an investigational non-ligand competing OX40 monoclonal antibody;
- BGB-16673, an investigational Chimeric Degradation Activating Compound, or CDAC, targeting BTK; and
- BGB-A425, an investigational humanized monoclonal antibody against TIM-3; and

- LBL-007, a novel investigational antibody targeting the LAG-3 pathway

Research and development activities also include costs associated with in-licensed drug candidates, including:

- R&D expense related to the co-development of pipeline assets under the Amgen collaboration agreement. Our total cost share obligation to Amgen is split between R&D expense and a reduction to the R&D cost share liability;
- sitravatinib, an investigational, spectrum-selective kinase inhibitor, licensed from Mirati Therapeutics, Inc. (Mirati);
- ZW25 (zanidatamab) and ZW49, two investigational bispecific antibody-based product candidates targeting HER2, licensed from Zymeworks Inc. (Zymeworks); and
- POBEVCY® (BAT1706), a biosimilar to Avastin® (bevacizumab), licensed from Bio-Thera Solutions, Ltd. (Bio-Thera).

We expense research and development costs when incurred. We record costs for certain development activities, such as clinical trials, based on an evaluation of the progress to completion of specific tasks using data such as subject enrollment, clinical site activations or information our vendors provide to us. We expense the manufacturing costs of our internally developed products that are used in clinical trials as they are incurred as research and development expense. We do not allocate employee-related costs, depreciation, rental and other indirect costs to specific research and development programs because these costs are deployed across multiple product programs under research and development and, as such, are separately classified as unallocated research and development expenses.

At this time, it is difficult to estimate or know for certain, the nature, timing and estimated costs of the efforts that will be necessary to complete the development of our internally developed and in-licensed medicines and drug candidates. This is due to the numerous risks and uncertainties associated with developing such medicines and drug candidates, including the uncertainty of:

- successful enrollment in and completion of clinical trials;
- establishing an appropriate safety and efficacy profile;
- establishing and maintaining commercial manufacturing capabilities or making arrangements with third-party manufacturers;
- receipt of marketing and other required approvals from applicable regulatory authorities;
- successfully launching and commercializing our medicines and drug candidates, if and when approved, whether as monotherapies or in combination with our medicines and drug candidates or third-party products;
- market acceptance, pricing and reimbursement;
- obtaining and maintaining patent and trade secret protection and regulatory exclusivity for our medicines and drug candidates;
- continued acceptable safety and efficacy profiles of the products following approval;
- sufficient supply of the products following approval;
- competition from competing products; and
- retention of key personnel.

A change in the outcome of any of these variables with respect to the development of any of our medicines and drug candidates would significantly change the costs, timing and viability associated with the commercialization or development of that medicine or drug candidate.

Research and development activities are central to our business model. We expect research and development costs to increase for the foreseeable future as our development programs progress, as we continue to support the clinical trials of our medicines and drug candidates as treatments for various cancers and as we move these medicines and drug candidates into additional clinical trials, including potential pivotal trials. There are numerous factors associated with the successful commercialization of any of our medicines and drug candidates, including future trial design and various regulatory requirements, many of which cannot be determined with accuracy at this time based on our stage of development. Additionally,

future commercial and regulatory factors beyond our control may impact our clinical development and commercial programs and plans.

Selling, General and Administrative Expenses

Selling, general and administrative expenses consist primarily of product promotion costs, distribution costs, salaries and related benefit costs, including share-based compensation for selling, general and administrative personnel. Other selling, general and administrative expenses include professional fees for legal, consulting, auditing and tax services as well as other direct and allocated expenses for rent and maintenance of facilities, travel costs, insurance and other supplies used in selling, general and administrative activities. We anticipate that our selling, general and administrative expenses will increase in future periods to support planned increases in commercialization activities for our approved medicines, and the preparation for potential launch and commercialization of additional in-licensed products from our collaborations and internally developed products, if approved. We also expect selling, general and administrative expenses to increase in future periods to support our research and development efforts, including the continuation of the clinical trials of our treatments for various cancers and the initiation of clinical trials for potential new indications or drug candidates. These cost increases will likely be due to increased promotional costs, increased headcount, increased share-based compensation expenses, expanded infrastructure and increased costs for insurance. We also incur significant legal, compliance, accounting, insurance and investor and public relations expenses associated with being a public company with our ADSs, ordinary shares and RMB Shares listed for trading on The NASDAQ Global Select Market, The Hong Kong Stock Exchange and The STAR Market of the Shanghai Stock Exchange, respectively.

Interest Income (Expense), Net

Interest Income

Interest income consists primarily of interest generated from our RMB-denominated cash deposits and short-term investments in money market funds, time deposits, U.S. Treasury securities and U.S. agency securities.

Interest Expense

Interest expense consists primarily of interest on our bank loans and related party loan.

Other Income (Expense), Net

Other income (expense) consists primarily of gains and losses recognized related to equity investments, government grants and subsidies received that involve no conditions or continuing performance obligations by us, realized and unrealized gains and losses related to foreign currency exchange rates, unrealized gains and losses on equity securities, and realized gains and losses on the sale of investments. We hold significant cash in the form of RMB-denominated deposits, including the cash generated from the STAR Market offering in December 2021. Other income (expense) includes foreign currency remeasurement gains and losses based on foreign currency exchange rates.

Results of Operations

The following table summarizes our results of operations for the three months ended March 31, 2022 and 2021:

	Three Months Ended March 31,		Change	
	2022	2021	$	%
	(dollars in thousands)			
Revenues				
Product revenue, net	$ 261,573	$ 106,117	$ 155,456	146.5 %
Collaboration revenue	45,053	499,755	(454,702)	(91.0)%
Total revenues	306,626	605,872	(299,246)	(49.4)%
Expenses				
Cost of sales - product	65,237	32,685	32,552	99.6 %
Research and development	389,915	320,726	69,189	21.6 %
Selling, general and administrative	294,573	182,106	112,467	61.8 %
Amortization of intangible assets	188	188	—	— %
Total expenses	749,913	535,705	214,208	40.0 %
(Loss) income from operations	(443,287)	70,167	(513,454)	(731.8)%
Interest income (expense), net	10,071	(4,179)	14,250	(341.0)%
Other income (expense), net	11,967	(4,123)	16,090	(390.2)%
(Loss) income before income taxes	(421,249)	61,865	(483,114)	(780.9)%
Income tax expense (benefit)	13,025	(4,630)	17,655	(381.3)%
Net (loss) income	$ (434,274)	$ 66,495	$ (500,769)	(753.1)%

Comparison of the Three Months Ended March 31, 2022 and 2021

Revenue

Total revenue decreased to $306.6 million for the three months ended March 31, 2022, from $605.9 million for the three months ended March 31, 2021, primarily due to a decrease in collaboration revenue, as the prior year period included the recognition of the majority of the $650 million upfront payment from Novartis as license revenue.

The following table summarizes the components of revenue for the three months ended March 31, 2022 and 2021, respectively:

	Three Months Ended March 31,		Changes	
	2022	2021	$	%
	(dollars in thousands)			
Product revenue	$ 261,573	$ 106,117	$ 155,456	146.5 %
Collaboration revenue:				
License revenue	—	484,646	(484,646)	(100.0)%
Research and development service revenue	13,427	15,109	(1,682)	(11.1)%
Right to access intellectual property revenue	26,249	—	26,249	NM
Other	5,377	—	5,377	NM
Total collaboration revenue	45,053	499,755	(454,702)	(91.0)%
Total Revenue	$ 306,626	$ 605,872	$ (299,246)	(49.4)%

Net product revenues consisted of the following:

	Three Months Ended March 31,		Changes	
	2022	2021	$	%
	(dollars in thousands)			
BRUKINSA®	$ 104,325	$ 22,090	$ 82,235	372.3 %
Tislelizumab	87,643	48,879	38,764	79.3 %
REVLIMID®	21,660	16,629	5,031	30.3 %
XGEVA®	13,499	14,454	(955)	(6.6)%
BLINCYTO®	11,866	—	11,866	NM
POBEVCY®	6,815	—	6,815	NM
VIDAZA®	5,512	3,706	1,806	48.7 %
KYPROLIS®	4,313	—	4,313	NM
Pamiparib	2,555	—	2,555	NM
Other	3,385	359	3,026	842.9 %
Total product revenue	$ 261,573	$ 106,117	$ 155,456	146.5 %

Net product revenue increased 146.5% to $261.6 million for the three months ended March 31, 2022, compared to $106.1 million in the prior year period, primarily due to continued increases in sales of BRUKINSA® in the United States and China and tislelizumab in China. In addition, product revenues in the first quarter of 2022 were positively impacted by sales of Amgen's BLINCYTO® and KYPROLIS® in China, which we began distributing in August 2021 and January 2022, respectively, as well as Bio-Thera's POBEVCY®, which we began selling in January 2022. During the quarter ended March 31, 2022, we continued to see increased patient demand for tislelizumab, BRUKINSA®, and pamiparib due to the inclusion on the National Reimbursement Drug List (NRDL), and this demand more than offset the effect of the related price reductions.

Global sales of BRUKINSA® totaled $104.3 million in the first quarter, representing a 372% increase compared to the prior year period; U.S. sales of BRUKINSA® totaled $67.9 million in the first quarter compared to $10.1 million in the comparable prior year period. U.S. sales continued to accelerate in the quarter, driven by continued uptake in MCL and the recent FDA approvals in WM and MZL. BRUKINSA® sales in China totaled $33.5 million in the first quarter, representing growth of 180% compared to the prior year period, driven by a significant increase in all approved indications, including chronic lymphocytic leukemia (CLL) and small lymphocytic lymphoma (SLL).

Sales of tislelizumab in China totaled $87.6 million in the first quarter, representing a 79% increase compared to the prior year period. In the first quarter, new patient demand from broader reimbursement and further expansion of our salesforce and hospital listings continued to drive increased market penetration and market share for tislelizumab. We believe that our strategy during 2021 of expanding our salesforce and hospital listings and continuing to seek expanded labels in broad indications will allow us to increase our market share during the remainder of 2022.

Collaboration revenue totaled $45.1 million for the three months ended March 31, 2022, of which $13.4 million was recognized from deferred revenue for R&D services performed during the three months ended March 31, 2022 under both the tislelizumab and ociperlimab collaborations, $26.2 million was recognized from deferred revenue for Novartis' right to access ociperlimab over the option period and $5.4 million was recognized related to the sale of tislelizumab clinical supply to Novartis. Collaboration revenue totaled $499.8 million for the three months ended March 31, 2021, of which $484.6 million was recognized upon delivery of the tislelizumab license right and transfer of know-how to Novartis, and $15.1 million was recognized from deferred revenue for R&D services performed during the three months ended March 31, 2021 (see Footnote 3).

Cost of Sales

Cost of sales increased to $65.2 million for the three months ended March 31, 2022 from $32.7 million for the three months ended March 31, 2021, primarily due to increased product sales of BRUKINSA® and tislelizumab, as well as initial sales of BLINCYTO® and KYPROLIS®, which we began selling in August 2021 and January 2022, respectively.

Gross Margin

Gross margin on global product sales increased to $196.3 million for the three months ended March 31, 2022, compared to $73.4 million in the prior year period, primarily due to increased product revenue in the current year period. Gross margin as a

percentage of product sales increased to 75.1% for the three months ended March 31, 2022, from 69.2% in the comparable period of the prior year. The increase is primarily due to a proportionally higher sales mix of global BRUKINSA® and tislelizumab compared to lower margin sales of in-licensed products. Additionally, in the first quarter of 2021, gross margin was negatively impacted by an adjustment to sales of $24.2 million relating to compensating distributors for channel inventory that was sold prior to applying the lower prices of the NRDL. These positive impacts to gross margin percentage in the three months ended March 31, 2022 were partially offset by the lower prices resulting from the listing of tislelizumab and BRUKINSA® on the updated NRDL in January 2022. Pre-launch inventory carried at zero or low cost consumed during the three months ended March 31, 2022 and March 31, 2021 was immaterial and did not have a significant impact on our gross margin.

Research and Development Expense

Research and development expense increased by $69.2 million, or 21.6%, to $389.9 million for the three months ended March 31, 2022 from $320.7 million for the three months ended March 31, 2021. The following table summarizes external clinical, external non-clinical and internal research and development expense for the three months ended March 31, 2022 and 2021, respectively:

	Three Months Ended March 31,		Changes	
	2022	2021	$	%
	(dollars in thousands)			
External research and development expense:				
Cost of development programs	$ 125,898	$ 122,946	$ 2,952	2.4 %
Upfront license fees	—	8,500	(8,500)	(100.0)%
Amgen co-development expense[1]	22,396	27,643	(5,247)	(19.0)%
Total external research and development expenses	148,294	159,089	(10,795)	(6.8)%
Internal research and development expenses	241,621	161,637	79,984	49.5 %
Total research and development expenses	$ 389,915	$ 320,726	$ 69,189	21.6 %

1 Our co-funding obligation for the development of the pipeline assets under the Amgen collaboration for the three months ended March 31, 2022 totaled $44.2 million, of which $22.4 million was recorded as R&D expense. The remaining $21.8 million was recorded as a reduction of the R&D cost share liability.

The decrease in external research and development expenses in the first quarter was primarily attributable to a decrease of $8.5 million related to upfront license fees under collaboration agreements, partially offset by increased spending on our preclinical trials. Overall spending with CROs remained relatively flat from the prior year quarter, as we continue to internalize research and clinical development activities.

Internal research and development expense increased $80.0 million, or 49.5%, to $241.6 million, and was primarily attributable to the expansion of our global development organization and our clinical and preclinical drug candidates, as well as our continued efforts to internalize research and clinical trial activities, and included the following:

- $40.4 million increase of employee salary and benefits, primarily attributable to hiring more research and development personnel to support our expanding research and development activities;
- $16.9 million increase of facilities, depreciation, office expense, rental fees, and other expenses to support the growth of our organization;
- $11.5 million increase of materials and reagent expenses, primarily in connection with the in-house manufacturing of drug candidates used for clinical purposes;
- $9.0 million increase of share-based compensation expense, primarily attributable to our increased headcount of research and development employees, resulting in more awards being expensed related to the growing research and development employee population; and
- $1.4 million decrease of consulting fees, which was mainly attributable to decreased meeting expense related to scientific, regulatory and development consulting activities, in connection with the advancement of our drug candidates.

Selling, General and Administrative Expense

Selling, general and administrative expense increased by $112.5 million, or 61.8%, to $294.6 million for the three months ended March 31, 2022, from $182.1 million for the three months ended March 31, 2021. The increase was primarily attributable to the following:

- $62.5 million increase of employee salary and benefits, which was primarily attributable to the expansion of our commercial organizations in China, the United States, Canada, Europe and emerging markets, and the hiring of more personnel to support our growing business;
- $20.8 million increase in external commercial-related expenses, including market research, sales and marketing, consulting and conference related expenses, related to the growth of our global commercial organization, as we continue to build our worldwide footprint and capabilities;
- $18.4 million increase of professional fees, consulting, recruiting, information technology, tax, accounting and audit services, and facility expenses, rental fees, office expenses, and other administrative expenses, primarily attributable to the global expansion of our business, including the expansion of our commercial operations in China, the United States and Europe; and
- $10.8 million increase of share-based compensation expense, primarily attributable to our increased headcount of sales and administrative employees, resulting in more awards being expensed related to the growing sales and administrative employee population.

Interest Income (Expense), Net

Interest income (expense), net increased by $14.3 million, or 341.0%, to $10.1 million of net interest income for the three months ended March 31, 2022, from $4.2 million of net interest expense for three months ended March 31, 2021. The increase in interest income, net, was primarily attributable to increased interest income resulting from the increase in cash balances resulting from the SSE IPO proceeds in the fourth quarter of 2021.

Other Income (Expense), Net

Other income (expense), net increased to $12.0 million of net other income for the three months ended March 31, 2022, from $4.1 million of net other expense for the three months ended March 31, 2021. The increase was primarily attributable to increased income from government subsidies, as well as foreign exchange gains due to the strengthening of the Chinese Renminbi, partially offset by the unrealized loss on our equity investment in Leap Therapeutics.

Income Tax Expense (Benefit)

Income tax expense was $13.0 million for the three months ended March 31, 2022, as compared to income tax benefit of $4.6 million for the three months ended March 31, 2021. The income tax expense for three months ended March 31, 2022 was primarily attributable to tax expense on income reported in certain China subsidiaries in excess of the deferred tax benefit of U.S. share-based compensation deductions. The income tax benefit for three months ended March 31, 2021 was primarily attributable to the deferred tax benefit of U.S. stock-based compensation deductions in excess of tax expense on income reported in certain China subsidiaries as adjusted for certain non-deductible expenses.

Liquidity and Capital Resources

The following table represents our cash, short-term investments, and debt balances as of March 31, 2022 and December 31, 2021:

	As of	
	March 31, 2022	December 31, 2021
	(dollars in thousands)	
Cash, cash equivalents and restricted cash	$ 4,354,450	$ 4,382,887
Short-term investments	$ 1,897,783	$ 2,241,962
Total debt	$ 608,992	$ 629,678

With the exception of the periods in which we received upfront payments from out-licensing rights to tislelizumab to Novartis, and prior to that BMS, we have incurred net losses and negative cash flows from operations since inception, resulting

from the funding of our research and development programs and selling, general and administrative expenses associated with our operations, as well as to support the commercialization of our products globally. We recognized net loss of $434.3 million and net income of $66.5 million for the three months ended March 31, 2022 and 2021, respectively. As of March 31, 2022, we had an accumulated deficit of $5.4 billion.

To date, we have financed our operations principally through proceeds from public and private offerings of our securities and proceeds from our collaborations, together with product sales since September 2017. Based on our current operating plan, we expect that our existing cash, cash equivalents and short-term investments as of March 31, 2022 will enable us to fund our operating expenses and capital expenditure requirements for at least the next 12 months after the date that the financial statements included in this report are issued.

In January 2021, we entered into a collaboration and license agreement with Novartis, granting Novartis rights to develop, manufacture and commercialize tislelizumab in North America, Europe, and Japan. Under the agreement, we received an upfront cash payment of $650 million from Novartis. In December 2021, we expanded our collaboration with Novartis by entering into an option, collaboration and license agreement with Novartis to develop, manufacture and commercialize our investigational TIGIT inhibitor ociperlimab in the Novartis Territory. In addition, we and Novartis entered into an agreement granting us rights to market, promote and detail five approved Novartis oncology products. Under the terms of the agreement, we received an upfront cash payment of $300 million in January 2022.

The following table provides information regarding our cash flows for the three months ended March 31, 2022 and 2021:

	Three Months Ended March 31,	
	2022	2021
	(dollars in thousands)	
Cash, cash equivalents and restricted cash at beginning of period	$ 4,382,887	$ 1,390,005
Net cash (used in) provided by operating activities	(236,563)	125,095
Net cash provided by investing activities	210,393	291,948
Net cash (used in) provided by financing activities	(11,267)	107,419
Net effect of foreign exchange rate changes	9,000	(4,061)
Net (decrease) increase in cash, cash equivalents, and restricted cash	(28,437)	520,401
Cash, cash equivalents and restricted cash at end of period	$ 4,354,450	$ 1,910,406

Operating Activities

Cash flows from operating activities is net income/(loss) adjusted for certain non-cash items and changes in assets and liabilities.

Operating activities used $236.6 million of cash in the three months ended March 31, 2022, which resulted principally from our net loss of $434.3 million, partially offset by a decrease in our net operating assets and liabilities of $122.1 million and by non-cash charges of $75.6 million. The decrease in working capital was driven largely by decreases in accounts receivable (due to the receipt of the upfront from Novartis related to the ociperlimab collaboration) and an increase in taxes payable, partially offset by an increases in inventories, prepaid expenses and other non-current assets as well as decreases in accounts payable, accrued expenses, deferred revenue and other long-term liabilities. The non-cash charges were primarily driven by share-based compensation expense, depreciation and amortization expense, and unrealized loss on our Leap investment, offset by amortization of the research and development cost share liability and deferred income tax benefits.

Operating activities provided $125.1 million of cash in the three months ended March 31, 2021, which resulted principally from our net income of $66.5 million, non-cash charges of $33.4 million and a decrease in our net operating assets and liabilities of $25.2 million. The non-cash charges were primarily driven by share-based compensation expense, offset by amortization of the research and development cost share liability. The decrease in working capital was driven largely by an increase in deferred revenue, resulting from the upfront payment from Novartis, as well as a decrease in inventory, partially offset by decreases in accounts payable and accrued expenses, and increases in accounts receivable and prepaid expenses.

Investing Activities

Cash flows from investing activities consist primarily of capital expenditures, investment purchases, sales, maturities, and disposals, and upfront payments related to our collaboration agreements.

Investing activities provided $210.4 million of cash in the three months ended March 31, 2022, consisting of sales and maturities of investment securities of $331.0 million, offset by $0.5 million in purchases of investment securities, capital expenditures of $45.1 million, and $75.0 million of acquired in-process research and development.

Investing activities provided $291.9 million of cash in the three months ended March 31, 2021, consisting of sales and maturities of investment securities of $1.1 billion, offset by $764.2 million in purchases of investment securities, capital expenditures of $42.4 million, and $8.5 million of acquired in-process research and development.

Financing Activities

Cash flows from financing activities consist primarily of sale of ordinary shares, RMB Shares and ADSs through equity offerings, issuance and repayment of short-term and long-term debt, and proceeds from the sale of ordinary shares and ADSs through employee equity compensation plans.

Financing activities used $11.3 million of cash in the three months ended March 31, 2022, consisting primarily of $50.0 million from proceeds of short-term bank loans and $11.9 million from the exercise of employee share options and proceeds from the issuance of shares through our employee share purchase plan. These inflows were partially offset by $73.1 million of repayment of short-term bank loans.

Financing activities provided $107.4 million of cash in the three months ended March 31, 2021, consisting primarily of $71.0 million from proceeds of short-term bank loans, $25.8 million from the exercise of employee share options and proceeds from the issuance of shares through our employee share purchase plan, and $10.7 million from proceeds of long-term bank loans.

Effects of Exchange Rates on Cash

We have substantial operations in the PRC, which generate a significant amount of RMB-denominated cash from product sales and require a significant amount of RMB-denominated cash to pay our obligations. Additionally, on December 15, 2021, we received RMB21.7 billion in net proceeds from the STAR Offering. Since the reporting currency of the Company is the U.S. dollar, periods of volatility in exchange rates may have a significant impact on our consolidated cash balances.

Future Liquidity and Material Cash Requirements

Until such time, if ever, as we can generate substantial product revenue sufficient to cover our costs and capital investments, we may be required to finance our cash needs through a combination of equity offerings, debt financings, collaboration agreements, strategic alliances, licensing arrangements, government grants, and other available sources. Under the rules of the SEC, we currently qualify as a “well-known seasoned issuer,” which allows us to file shelf registration statements to register an unspecified amount of securities that are effective upon filing. In May 2020, we filed such a shelf registration statement with the SEC for the issuance of an unspecified amount of ordinary shares (including in the form of ADSs), preferred shares, various series of debt securities and/or warrants to purchase any of such securities, either individually or in units, from time to time at prices and on terms to be determined at the time of any such offering. This registration statement was effective upon filing and will remain in effect for up to three years from filing, prior to which time we may file another shelf registration statement that will be effective for up to three years from filing.

To the extent that we raise additional capital through the sale of equity or convertible debt securities, the ownership interest of our shareholders will be diluted, and the terms of these securities may include liquidation or other preferences that adversely affect your rights as a holder of ADSs, ordinary shares, or RMB Shares. Debt financing, if available, may involve agreements that include covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures, or declaring dividends, and may require the issuance of warrants, which could potentially dilute your ownership interest. If we raise additional funds through collaboration agreements, strategic alliances or licensing arrangements with third parties, we may have to relinquish valuable rights to our medicines or drug candidates, future revenue streams or research programs, or to grant licenses on terms that may not be favorable to us. If we are unable to raise additional funds through equity or debt financings, collaborations or other sources when needed, we may be required to delay, limit, reduce or terminate our product development or commercialization efforts or grant rights to develop and market products or drug candidates that we would otherwise prefer to develop and market ourselves.

Our material cash requirements in the short- and long-term consist of the following operational, capital, and manufacturing expenditures, a portion of which contain contractual or other obligations. We plan to fund our material cash requirements with our current financial resources together with our anticipated receipts of accounts receivable, product sales and royalty revenues, and reimbursements we expect to receive under our existing collaboration and license agreements.

Contractual and Other Obligations

The following table summarizes our significant contractual obligations as of the payment due date by period as of March 31, 2022:

	Payments Due by Period		
	Total	Short Term	Long Term
	(dollars in thousands)		
Contractual obligations			
Operating lease commitments	$ 67,740	$ 19,552	$ 48,188
Purchase commitments	122,485	64,143	58,342
Debt obligations	608,992	407,387	201,605
Interest on debt	40,535	9,694	30,841
Co-development funding commitment	746,844	245,146	501,698
Funding commitment	12,750	4,250	8,500
Research and development commitment	26,579	5,701	20,878
Pension plan	7,759	1,593	6,166
Capital commitments	239,436	239,436	—
Total	$ 1,873,120	$ 996,902	$ 876,218

Operating Lease Commitments

We lease office or manufacturing facilities in Beijing, Shanghai, Suzhou and Guangzhou in China; office facilities in California, Massachusetts, Maryland, and New Jersey in the United States; and office facilities in Basel, Switzerland under non-cancelable operating leases expiring on various dates. Payments under operating leases are expensed on a straight-line basis over the respective lease terms. The aggregate future minimum payments under these non-cancelable operating leases are summarized in the table above.

Purchase Commitments

As of March 31, 2022, purchase commitments amounted to $122.5 million, of which $65.5 million related to minimum purchase requirements for supply purchased from contract manufacturers and $57.0 million related to binding purchase obligations of inventory from BMS and Amgen. We do not have any minimum purchase requirements for inventory from BMS or Amgen.

Debt Obligations and Interest

Total debt obligations coming due in the next twelve months is $407.4 million. Total long-term debt obligations are $201.6 million. See Note 10 in the Notes to the Financial Statements for further detail of our debt obligations.

Interest on bank loans and the Related Party Loan is paid quarterly until the respective loans are fully settled. For the purpose of contractual obligations calculation, current interest rates on floating rate obligations were used for the remainder contractual life of the outstanding borrowings.

Co-Development Funding Commitment

Under the Amgen collaboration, we are responsible for co-funding global development costs for the licensed Amgen oncology pipeline assets up to a total cap of $1.25 billion. We are funding our portion of the co-development costs by contributing cash and development services. As of March 31, 2022, our remaining co-development funding commitment was $746.8 million.

Funding Commitment

Funding commitment represents our committed capital related to one of our equity method investments in the amount of $15.0 million. As of March 31, 2022, our remaining capital commitment was $12.8 million and is expected to be paid from time to time over the investment period.

Research and Development Commitment

We entered into a long-term research and development agreement in June 2021, which includes obligations to make fixed quarterly payments over the next five years. As of March 31, 2022, the total research and development commitment amounted to $26.6 million.

Pension Plan

We maintain a defined benefit pension plan in Switzerland. Funding obligations under the defined benefit pension plan are equivalent to $1.6 million per year based on annual funding contributions in effect as of March 31, 2022 to achieve fully funded status where the market value of plan assets equals the projected benefit obligations. Future funding requirements will be subject to change as a result of future changes in staffing and compensation levels, various actuarial assumptions and actual investment returns on plan assets.

Capital Commitments

We had capital commitments amounting to $239.4 million for the acquisition of property, plant and equipment as of March 31, 2022, which were mainly for our manufacturing and clinical R&D campus in Hopewell, NJ, biologics manufacturing facility in Guangzhou, China, small molecule manufacturing facility in Suzhou, China, and research and development operations at the Changping facility in Beijing, China.

Other Business Agreements

We expect to make a significant investment in our future manufacturing facility in the United States, a 42-acre site that will be constructed in Hopewell, NJ, and for which we purchased for $75.2 million. We expect significant capital expenditures as we build out the Hopewell facility over the next several years.

We also enter into agreements in the ordinary course of business with contract research organizations to provide research and development services. These contracts are generally cancellable at any time by us with prior written notice.

We also enter into collaboration agreements with institutions and companies to license intellectual property. We may be obligated to make future development, regulatory and commercial milestone payments and royalty payments on future sales of specified products associated with these agreements. Payments under these agreements generally become due and payable upon achievement of such milestones or sales. These commitments are not recorded on our balance sheet because the achievement and timing of these milestones are not fixed and determinable. When the achievement of these milestones or sales have occurred, the corresponding amounts are recognized in our financial statements. Future milestone payments potentially owed related to in-licensed technology totaled $5.7 billion as of March 31, 2022.

Critical Accounting Policies and Significant Judgments and Estimates

Our discussion and analysis of our financial condition and results of operations is based on our financial statements, which have been prepared in accordance with U.S. generally accepted accounting principles ("GAAP"). The preparation of these financial statements requires us to make estimates, assumptions and judgments that affect the reported amounts of assets, liabilities, revenues, costs and expenses. We evaluate our estimates and judgments on an ongoing basis, and our actual results may differ from these estimates. These include, but are not limited to, estimating the useful lives of long-lived assets, estimating variable consideration in product sales and collaboration revenue arrangements, estimating the incremental borrowing rate for operating lease liabilities, identifying separate accounting units and the standalone selling price of each performance obligation in the Company's revenue arrangements, assessing the impairment of long-lived assets, valuation and recognition of share-based compensation expenses, realizability of deferred tax assets and the fair value of financial instruments. We base our estimates on historical experience, known trends and events, contractual milestones and other various factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Our actual results may differ from these estimates under different assumptions or conditions.

There have been no material changes to our critical accounting policies as of and for the three months ended March 31, 2022, as compared to those described in the section titled “Part I – Item 2 – Management’s Discussion and Analysis of Financial Condition and Results of Operations” included in our Annual Report on Form 10-K for the year ended December 31, 2021.

For new accounting policies adopted during the three months ended March 31, 2022 , see “Part I – Item 1 – Financial Statements—Notes to the Condensed Consolidated Financial Statements—1. Description of Business, Basis of Presentation and Consolidation and Significant Accounting Policies—Significant accounting policies” in this Quarterly Report on Form 10-Q.

Recent Accounting Pronouncements

See Note 1 to our condensed consolidated financial statements included in this Quarterly Report on Form 10-Q for information regarding recent accounting pronouncements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

Interest and Credit Risk

Financial instruments that are potentially subject to credit risk consist of cash, cash equivalents, restricted cash and short-term investments. The carrying amounts of cash, cash equivalents, restricted cash and short-term investments represent the maximum amount of loss due to credit risk. We had cash and cash equivalents of $4.3 billion and $4.4 billion, restricted cash of $7.3 million and $7.2 million, and short-term investments of $1.9 billion and $2.2 billion as of March 31, 2022 and December 31, 2021, respectively. Our cash and cash equivalent are deposited with various major reputable financial institutions located within or outside the PRC. The deposits placed with these financial institutions are not protected by statutory or commercial insurance. In the event of bankruptcy of one of these financial institutions, we may be unlikely to claim our deposits back in full. We believe that these financial institutions are of high credit quality, and we continually monitor the credit worthiness of these financial institutions. On March 31, 2022, our short-term investments consisted of U.S. treasury securities. We believe that the U.S. treasury securities are of high credit quality and continually monitor the credit worthiness of these institutions.

The primary objectives of our investment activities are to preserve principal, provide liquidity, and maximize income without significant increasing risk. Our primary exposure to market risk relates to fluctuations in the interest rates, which are affected by changes in the general level of PRC and U.S. interest rates. Given the short-term nature of our cash equivalents, we believe that a sudden change in market interest rates would not be expected to have a material impact on our financial condition and/or results of operation. We estimate that a hypothetical 100-basis point increase or decrease in market interest rates would result in a decrease of $10.6 million or an increase of $9.9 million, respectively, as of March 31, 2022.

We do not believe that our cash, cash equivalents and short-term investments have significant risk of default or illiquidity. While we believe our cash, cash equivalents, and short-term investments do not contain excessive risk, we cannot provide absolute assurance that in the future investments will not be subject to adverse changes in market value.

We had accounts receivable, net of $190.8 million and $483.1 million as of March 31, 2022 and December 31, 2021, respectively. Accounts receivable, net represent amounts arising from product sales and amounts due from our collaboration partners. We monitor economic conditions to identify facts or circumstances that may indicate receivables are at risk of collection. To date, we have not experienced any significant losses with respect to the collection of our accounts receivable.

Foreign Currency Exchange Rate Risk

We are exposed to foreign exchange risk arising from various currency exposures. Our reporting currency is the U.S. dollar, but a portion of our operating transactions and assets and liabilities are in other currencies, such as RMB, Euro, and Australian dollar. We do not believe that we currently have any significant direct foreign exchange risk and have not used any derivative financial instruments to hedge exposure to such risk.

RMB is not freely convertible into foreign currencies for capital account transactions. The value of RMB against the U.S. dollar and other currencies is affected by, among other things, changes in China's political and economic conditions and China's foreign exchange prices. Since 2005, the RMB has been permitted to fluctuate within a narrow and managed band against a basket of certain foreign currencies. The RMB compared to the U.S. dollar appreciated approximately 0.5% in the three months ended March 31, 2022 and appreciated approximately 2.3% in the year ended December 31, 2021, respectively. It is difficult to predict how market forces or PRC or U.S. government policy may impact the exchange rate between the RMB and the U.S. dollar in the future.

To the extent that we need to convert U.S. dollars into RMB for capital expenditures, working capital and other business purposes, appreciation of RMB against the U.S. dollar would have an adverse effect on the RMB amount we would receive from the conversion. Conversely, if we decide to convert RMB into U.S. dollars for the purpose of making payments for dividends on our ordinary shares, strategic acquisitions or investments or other business purposes, appreciation of the U.S. dollar against RMB would have a negative effect on the U.S. dollar amount available to us.

In addition, a significant depreciation of the RMB against the U.S. dollar may significantly reduce the U.S. dollar equivalent of our foreign cash balances and trade receivables. Further, volatility in exchange rate fluctuations may have a significant impact on the foreign currency translation adjustments recorded in other comprehensive income (loss). We have not used derivative financial instruments to hedge exposure to foreign exchange risk.

Currency Convertibility Risk

A significant portion of our expenses, assets, and liabilities are denominated in RMB. In 1994, the PRC government abolished the dual rate system and introduced a single rate of exchange as quoted daily by the People's Bank of China (the "PBOC"). However, the unification of exchange rates does not imply that the RMB may be readily convertible into U.S. dollars or other foreign currencies. All foreign exchange transactions continue to take place either through the PBOC or other banks authorized to buy and sell foreign currencies at the exchange rates quoted by the PBOC. Approvals of foreign currency payments by the PBOC or other institutions require submitting a payment application form together with suppliers' invoices, shipping documents and signed contracts.

Additionally, the value of RMB is subject to changes in the PRC central government policies and international economic and political developments affecting supply and demand in the PRC foreign exchange trading system market.

Effects of Inflation

Inflation generally affects us by increasing our cost of labor and clinical trial costs. We do not believe that inflation has had a material effect on our results of operations during the three months ended March 31, 2022.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

Based on their evaluation, required by paragraph (b) of Rules 13a-15 or 15d-15, promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), our principal executive officer and principal financial officer have concluded that our disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act are effective, at a reasonable assurance level, as of March 31, 2022, to ensure that information required to be disclosed in reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in U.S. Securities and Exchange Commission rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is accumulated and communicated to our management, including our principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, our management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurances of achieving the desired control objectives, and management necessarily was required to apply its judgment in designing and evaluating the controls and procedures.

Changes in Internal Control over Financial Reporting

In the quarter ended March 31, 2022, we completed our implementation of additional business processes and control changes around key cycles including the order-to-cash process, inventory management, treasury and research and development accruals. With the exception of these new control activities and processes, there were no changes in our internal control over financial reporting identified in connection with the evaluation required by Rule 13a-15(d) and 15d-15(d) of the Exchange Act that occurred during the quarter ended March 31, 2022 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings.

From time to time we may become involved in legal proceedings or be subject to claims arising in the ordinary course of our business. We are not presently a party to any legal proceedings that, if determined adversely to us, would individually or taken together have a material adverse effect on our business, results of operations, financial condition or cash flows. Regardless of the outcome, litigation can have an adverse impact on us because of defense and settlement costs, diversion of management resources and other factors.

On June 26, 2020, following the suspension and recall of ABRAXANE® in China supplied to us by Celgene Logistics Sàrl, a Bristol Myers Squibb company (referred to elsewhere in this report as BMS, but for this paragraph only, "BMS-Celgene"), we initiated an arbitration proceeding at the International Chamber of Commerce (the ICC) against BMS-Celgene asserting that it had breached and continues to breach the terms and conditions of the License and Supply Agreement entered into by BeiGene and BMS-Celgene in July 2017 and a related quality agreement (collectively, the "BMS-Celgene License"). Under the BMS-Celgene License, we allege that BMS-Celgene is obligated, among other things, to ensure the continuity and adequacy of its supply of ABRAXANE® to us. In the arbitration proceeding, we are seeking (i) a declaration that BMS-Celgene was and is in breach of the BMS-Celgene License, (ii) a declaration that BMS-Celgene acted with gross negligence and/or willful misconduct, (iii) an award of damages, and (iv) such other relief as the arbitrators deem appropriate. BMS-Celgene responded in part by submitting a counterclaim against us seeking to recover approximately $30 million in costs that it contends it incurred as part of the ABRAXANE® recall. We believe that the allegations contained in the counterclaim are without merit and intend to defend the counterclaim vigorously. A hearing is scheduled in the matter for June 2022. On October 6, 2021, BMS-Celgene delivered a notice to us purporting to terminate the BMS-Celgene License with respect to ABRAXANE® and providing 180-days' notice that it was withdrawing ABRAXANE® from the range of products for sale or distribution in China pursuant to Section 2.6 of the BMS-Celgene License. We believe that the reasons stated in the notice do not provide a valid basis for terminating the BMS-Celgene License with respect to ABRAXANE®, and that the notice is a tactical maneuver on the part of BMS-Celgene to reduce its damages in the on-going arbitration proceedings described above. We have amended our claims in the arbitration proceeding to add a claim for wrongful termination of the BMS-Celgene License with respect to ABRAXANE®.

Item 1A. Risk Factors.

The following section includes the most significant factors that we believe may adversely affect our business and operations. You should carefully consider the risks and uncertainties described below and all information contained in this Quarterly Report, including our financial statements and the related notes and "Part I – Item 2 – Management's Discussion and Analysis of Financial Condition and Results of Operations," before deciding to invest in our ADSs, ordinary shares or RMB Shares. The occurrence of any of the events or developments described below could harm our business, financial condition, results of operations and growth prospects. In such an event, the market price of our ADSs, ordinary shares or RMB Shares could decline, and you may lose all or part of your investment. Additional risks and uncertainties not presently known to us or that we currently deem immaterial also may impair our business operations.

The risk factors denoted with a "", if any, are newly added or have been materially updated from our Annual Report on Form 10-K for the year ended December 31, 2021.*

Risks Related to Commercialization of Our Medicines and Drug Candidates

Our medicines may fail to achieve and maintain the degree of market acceptance by physicians, patients, third-party payors, and others in the medical community necessary for commercial success.

Our medicines may fail to achieve and maintain sufficient market acceptance by physicians, patients, third-party payors and others in the medical community. For example, current cancer treatments like chemotherapy and radiation therapy are well established in the medical community, and doctors may continue to rely on these treatments to the exclusion of our medicines. In addition, physicians, patients and third-party payors may prefer other novel or generic products to ours. If our medicines do not achieve and maintain an adequate level of acceptance, the sales of our medicines may be limited and we may not generate significant product revenues and we may not become profitable. The degree of market acceptance of our medicines will depend on a number of factors, including:

- the clinical indications for which our medicines are approved;
- physicians, hospitals, cancer treatment centers, and patients considering our medicines as safe and effective treatments;

- government agencies, professional societies, practice management groups, insurance carriers, physicians' groups, private health and science foundations, and organizations publishing guidelines and recommendations recommending our medicines and reimbursement;
- the potential and perceived advantages of our medicines over alternative treatments;
- the prevalence and severity of any side effects;
- product labeling or product insert requirements of regulatory authorities;
- limitations or warnings contained in the labeling approved by regulatory authorities;
- the timing of market introduction of our medicines as well as competitive medicines;
- the cost of treatment in relation to alternative treatments;
- the availability of adequate coverage, reimbursement and pricing by third-party payors and government authorities;
- the willingness of patients to pay out-of-pocket in the absence of coverage and reimbursement by third-party payors and government authorities; and
- the effectiveness of our sales and marketing efforts.

If any medicines that we commercialize fail to achieve and maintain market acceptance among physicians, patients, hospitals, third-party payors, cancer treatment centers or others in the medical community, we will not be able to generate significant revenue. Even if our medicines achieve market acceptance, we may not be able to maintain that market acceptance over time if new products or technologies are introduced that are more favorably received than our medicines, are more cost effective or render our medicines obsolete.

We have limited experience in launching and marketing our internally developed and in-licensed medicines. If we are unable to further develop marketing and sales capabilities or enter into agreements with third parties to market and sell our medicines, we may not be able to generate substantial product sales revenue.

We first became a commercial-stage company in 2017, when we entered into a license and supply agreement with Celgene Logistics Sàrl, now a Bristol Myers Squibb company (BMS), to commercialize BMS's approved cancer therapies, REVLIMID®, VIDAZA® and ABRAXANE® in the People's Republic of China (PRC or China), excluding Hong Kong, Macau and Taiwan, and acquired BMS's commercial operations in China, excluding certain functions.

In October 2019, we entered into a strategic collaboration with Amgen for its commercial-stage oncology products XGEVA®, BLINCYTO®, KYPROLIS®, and a portfolio of clinical- and late-preclinical-stage oncology pipeline products, which became effective on January 2, 2020. XGEVA®, BLINCYTO® and KYPROLIS® were first approved in China in May 2019, December 2020 and July 2021, respectively.

We received the first new drug approval for one of our internally developed medicines in November 2019, for our BTK inhibitor BRUKINSA® (zanubrutinib), in the United States for the treatment of certain patients with mantle cell lymphoma (MCL). We have also received approvals for BRUKINSA® in China for the treatment of certain patients with MCL, chronic lymphocytic leukemia (CLL) or small lymphocytic lymphoma (SLL) in June 2020, and in the European Union for the treatment of certain patients with WM in November 2021. We have subsequently received approvals in these markets for additional indications. Additionally, we have received approvals for BRUKINSA® in Canada, Australia, the U.K., Switzerland and other markets for certain indications.

For tislelizumab, we first received approval in China in December 2019 for the treatment of certain patients with classical Hodgkin's Lymphoma (cHL) and have received approvals in China for several more indications since. For pamiparib, we received approval in China for the treatment of certain patients with ovarian, fallopian tube, or primary peritoneal cancer in May 2021.

We continue to build our salesforce in the United States, China, Europe, and other countries and regions to commercialize our internally developed and in-licensed medicines and any additional medicines or drug candidates that we may develop or in-license, which will require significant capital expenditures, management resources and time.

We have limited experience in commercializing our internally developed and in-licensed medicines. We have limited experience in building and managing a commercial team, conducting a comprehensive market analysis, obtaining state licenses and reimbursement, or managing distributors and a sales force for our medicines. We will be competing with many companies

that currently have extensive and well-funded sales and marketing operations. As a result, our ability to successfully commercialize our medicines may involve more inherent risk, take longer, and cost more than it would if we were a company with substantial experience in launching medicines.

We will have to compete with other pharmaceutical and biotechnology companies to recruit, hire, train and retain marketing and sales personnel. If we are unable to, or decide not to, further develop internal sales, marketing, and commercial distribution capabilities for any or all of our medicines in any country or region, we will likely pursue collaborative arrangements regarding the sales and marketing of our medicines. However, there can be no assurance that we will be able to establish or maintain such collaborative arrangements, or if we are able to do so, that they will have effective sales forces. Any revenue we receive will depend upon the efforts of such third parties. We would have little or no control over the marketing and sales efforts of such third parties, and our revenue from product sales may be lower than if we had commercialized our medicines ourselves. We also face competition in our search for third parties to assist us with the sales and marketing efforts for our medicines.

There can be no assurance that we will be able to further develop and successfully maintain internal sales and commercial distribution capabilities or establish or maintain relationships with third-party collaborators to successfully commercialize any medicine, and as a result, we may not be able to generate substantial product sales revenue.

If we are not able to continue to obtain, or experience delays in obtaining, required regulatory approvals, we will not be able to commercialize our medicines and drug candidates, and our ability to generate revenue will be materially impaired.

Before obtaining regulatory approvals for the commercial sale of any drug candidate for a target indication, we must demonstrate in preclinical studies and well-controlled clinical trials, and, with respect to approval in the United States, to the satisfaction of the FDA, that the drug candidate is safe and effective, or the biologic drug candidate is safe, pure, and potent, for use for that target indication and that the manufacturing facilities, processes and controls are adequate. In addition to preclinical and clinical data, the new drug application (NDA) or biologics license application (BLA) must include comprehensive information regarding the chemistry, manufacturing and controls (CMC) for the drug candidate. Obtaining approval of an NDA or BLA is a lengthy, expensive and uncertain process, and approval may not be obtained. If we submit an NDA or BLA to the FDA, the FDA decides whether to accept or reject the submission for filing. We cannot be certain that a submission will be accepted for filing and review by the FDA.

We have limited experience in obtaining regulatory approvals for our drug candidates. For example, we have limited experience in preparing the required materials for regulatory submission and navigating the regulatory approval process. As a result, our ability to successfully submit an NDA or BLA and obtain regulatory approval for our drug candidates may involve more inherent risk, take longer, and cost more than it would if we were a company with substantial experience in obtaining regulatory approvals.

Regulatory authorities outside of the United States, such as the China National Medical Products Administration (NMPA) and European Medicines Agency (EMA), also have requirements for approval of medicines for commercial sale with which we must comply prior to marketing in those areas. Regulatory requirements can vary from country to country and could delay or prevent the introduction of our drug candidates. Clinical trials conducted in one country may not be accepted by regulatory authorities in other countries, and obtaining regulatory approval in one country does not mean that regulatory approval will be obtained in any other country. Approval processes vary among countries and can involve additional product testing and validation and additional administrative review periods. Seeking regulatory approvals outside of the United States could require additional nonclinical studies or clinical trials, which could be costly and time consuming. The regulatory approval process outside of the United States may include all of the risks associated with obtaining FDA approval. For all of these reasons, we may not obtain regulatory approvals on a timely basis, if at all.

The process to develop, obtain regulatory approval for and commercialize drug candidates is long, complex and costly in the United States, China, Europe and other regions, and approval is never guaranteed. Even if our drug candidates were to successfully obtain approval from regulatory authorities, any approval might significantly limit the approved indications for use, or require that precautions, contraindications or warnings be included on the product labeling, or require expensive and time-consuming post-approval clinical trials or surveillance as conditions of approval. Following any approval for commercial sale of our drug candidates, certain changes to the medicine, such as changes in manufacturing processes and additional labeling claims, may be subject to additional review and approval by regulatory authorities. Also, regulatory approval for any of our drug candidates may be withdrawn. If we are unable to obtain regulatory approval for our drug candidates in one or more jurisdictions, or any approval contains significant limitations, our target market will be reduced and our ability to realize the full market potential of our drug candidates will be harmed.

We face substantial competition, which may result in others discovering, developing, or commercializing competing medicines before or more successfully than we do.

The development and commercialization of new medicines is highly competitive. We face competition from major pharmaceutical companies, specialty pharmaceutical companies and biotechnology companies worldwide. There are a number of large pharmaceutical and biotechnology companies that currently market and sell medicines or are pursuing the development of medicines for the treatment of cancer for which we are commercializing our medicines or developing our drug candidates. For example, BRUKINSA®, tislelizumab and pamiparib face substantial competition, and some of our products face or are expected to face competition from generic therapies. Potential competitors also include academic institutions, government agencies and other public and private research organizations that conduct research, seek patent protection and establish collaborative arrangements for research, development, manufacturing and commercialization.

Our commercial opportunity could be reduced or eliminated if our competitors develop and commercialize medicines that are safer, more effective, have fewer or less severe side effects, are more convenient or are less expensive than our medicines. Our competitors also may obtain approval from the FDA, NMPA, EMA or other comparable regulatory authorities for their medicines more rapidly than we may obtain approval for ours, which could result in our competitors establishing a strong market position before we are able to enter the market and or slow our regulatory approval.

Many of the companies against which we are competing or against which we may compete in the future have significantly greater financial resources and expertise in research and development, manufacturing, preclinical testing, conducting clinical trials, obtaining regulatory approvals and marketing approved medicines than we do. Mergers and acquisitions in the pharmaceutical and biotechnology industries may result in even more resources being concentrated among a smaller number of our competitors. Smaller and other early-stage companies may also prove to be significant competitors, particularly through collaborative arrangements with large and established companies. These third parties compete with us in recruiting and retaining qualified scientific and management personnel, establishing clinical trial sites and patient registration for clinical trials, as well as in acquiring technologies complementary to, or necessary for, our programs.

The market opportunities for our medicines may be limited to those patients who are ineligible for or have failed prior treatments and may be small.

In markets with approved therapies, we have and expect to initially seek approval of our drug candidates as a later stage therapy for patients who have failed other approved treatments. Subsequently, for those medicines that prove to be sufficiently beneficial, if any, we would expect to seek approval as a second line therapy and potentially as a first-line therapy, but there is no guarantee that our medicines and drug candidates, even if approved, would be approved for second-line or first-line therapy.

Our projections of both the number of people who have the diseases we are targeting, as well as the subset of people with these diseases in a position to receive later stage therapy and who have the potential to benefit from treatment with our medicines and drug candidates, are based on our beliefs and estimates and may prove to be inaccurate or based on imprecise data. Further, new studies may change the estimated incidence or prevalence of these cancers. The number of patients may turn out to be lower than expected. Additionally, the potentially addressable patient population for our medicines and drug candidates may be limited or may not be amenable to treatment with our medicines and drug candidates. Even if we obtain significant market share for our medicines and drug candidates, because the potential target populations are small, we may never achieve profitability without obtaining regulatory approval for additional indications, including use as a first- or second-line therapy.

We have limited manufacturing capability and must rely on third-party manufacturers to manufacture some of our commercial products and clinical supplies, and if they fail to meet their obligations, the development and commercialization of our medicines and drug candidates could be adversely affected.

We have limited manufacturing capabilities and experience. Our medicines and drug candidates are composed of multiple components and require specialized formulations for which scale-up and manufacturing can be difficult. We have limited experience in such scale-up and manufacturing, requiring us to depend on a limited number of third parties, who may not be able to deliver in a timely manner, or at all. In order to develop medicines and drug candidates, apply for regulatory approvals, and commercialize our medicines and drug candidates, we will need to develop, contract for, or otherwise arrange for the necessary manufacturing capabilities. There are risks inherent in pharmaceutical manufacturing that could affect the ability of our contract manufacturers to meet our delivery time requirements or provide adequate amounts of material to meet our needs.

Although we are manufacturing commercial supply of tislelizumab, zanubrutinib and pamiparib at our own manufacturing facilities in China, and we are planning to build a commercial-stage biologics manufacturing and clinical R&D center in New Jersey and we are constructing a new small molecule manufacturing campus in Suzhou, China, we continue to rely on third-party manufacturers to produce some of the commercial quantities of the internally developed and in-licensed medicines we are

marketing. In addition, if any of our other drug candidates or in-licensed medicines or drug candidates become approved for commercial sale, we will need to expand our internal capacity or establish additional third-party manufacturing capacity. Manufacturing partner requirements may require us to fund capital improvements, perhaps on behalf of third parties, to support the scale-up of manufacturing and related activities. We may not be able to establish scaled manufacturing capacity for an approved medicine in a timely or economic manner, if at all. If we or our third-party manufacturers are unable to provide commercial quantities of such an approved medicine, we will have to successfully transfer manufacturing technology to a different manufacturer. Engaging a new manufacturer or modifying manufacturing processes and procedures for such an approved medicine could require us to conduct comparative studies or utilize other means to determine bioequivalence of the new and prior manufacturers' products or of products manufactured by the old and new processes and procedures, which could delay or prevent our ability to commercialize such an approved medicine. If we or any of these manufacturers is unable or unwilling to increase its manufacturing capacity or if we are unable to establish alternative arrangements on a timely basis or on acceptable terms, the development and commercialization of such an approved medicine may be delayed or there may be a shortage in supply. Any inability to manufacture our medicines, drug candidates, in-licensed medicines and drug candidates or future approved medicines in sufficient quantities when needed could seriously harm our business and our financial results.

Manufacturers of our medicines must comply with good manufacturing practice (GMP) requirements enforced by the FDA, NMPA, EMA and other comparable foreign health authorities through facilities inspection programs. These requirements include quality control, quality assurance, and the maintenance of records and documentation. Manufacturers of our approved medicines may be unable to comply with these GMP requirements and with other FDA, NMPA, EMA, state, and foreign regulatory requirements. A failure to comply with these requirements may result in fines and civil penalties, suspension of production, suspension or delay in product approval, product seizure or recall, or withdrawal of product approval. If the safety of any quantities supplied is compromised due to a manufacturer's failure to adhere to applicable laws or for other reasons, we may not be able to obtain regulatory approval for or successfully commercialize our medicines, which would seriously harm our business. For example, on March 25, 2020, the NMPA suspended the importation, sales and use of ABRAXANE® in China supplied to us by BMS, and the drug was subsequently recalled by BMS and is not currently available for sale in China. This suspension was based on inspection findings at BMS's contract manufacturing facility in the United States. Additionally, in October 2021, BMS provided 180-days' notice to us, which we dispute, purporting to terminate our license to market ABRAXANE® in China. We have not had any sales of ABRAXANE® since the suspension and do not expect future revenue from ABRAXANE®. We have initiated an arbitration proceeding against BMS asserting that it has breached and continues to breach the terms and conditions of the license and supply agreement. For additional information, please see the section of this report titled "Part II – Item 1 – Legal Proceedings".

If we or any third parties with which we may collaborate to market and sell our medicines are unable to achieve and maintain coverage and adequate level of reimbursement, our commercial success and business operations could be adversely affected.

Our ability or the ability of any third parties with which we collaborate to commercialize our medicines successfully will depend in part on the extent to which reimbursement for these medicines is available on adequate terms, or at all, from government health administration authorities, private health insurers and other organizations. In the United States and markets in other countries, patients generally rely on third-party payors to reimburse all or part of the costs associated with their treatment. Adequate coverage and reimbursement from governmental healthcare programs, such as Medicare and Medicaid, and commercial payors is critical to new product acceptance. Sales of our medicines will depend substantially, both domestically and abroad, on the extent to which the costs of our medicines will be paid by health maintenance, managed care, pharmacy benefit and similar healthcare management organizations, or reimbursed by government health administration authorities, private health coverage insurers and other third-party payors. Without third-party payor reimbursement, patients may not be able to obtain or afford prescribed medications. Third-party payors also are seeking to encourage the use of generic or biosimilar products or entering into sole source contracts with healthcare providers, which could effectively limit the coverage and level of reimbursement for our medicines and have an adverse impact on the market access or acceptance of our medicines. In addition, reimbursement guidelines and incentives provided to prescribing physicians by third party payors may have a significant impact on the prescribing physicians' willingness and ability to prescribe our products.

A primary trend in the global healthcare industry is cost containment. Government authorities and these third-party payors have attempted to control costs by limiting coverage and the amount of reimbursement for particular medications.

In the United States, no uniform policy of coverage and reimbursement for drugs exists among third-party payors. As a result, obtaining coverage and reimbursement approval of a drug from a government or other third-party payor is a time-consuming and costly process that could require us to provide to each payor supporting scientific, clinical and cost- effectiveness data for the use of our medicines on a payor-by-payor basis, with no assurance that coverage and adequate reimbursement will be obtained. The principal decisions about reimbursement for new medicines are typically made by the Centers for Medicare and Medicaid Services (the CMS). They decide whether and to what extent a new medicine will be

covered and reimbursed under Medicare and private payors tend to follow CMS to a substantial degree. Factors payors consider in determining reimbursement are based on whether the product is: a covered benefit under its health plan; safe, effective and medically necessary; appropriate for the specific patient; cost-effective; and neither experimental nor investigational.

Coverage may be more limited than the purposes for which the medicine is approved by the FDA or comparable regulatory authorities in other countries. Even if we obtain coverage for a given medicine, the resulting reimbursement rates might not be adequate for us to achieve or sustain profitability or may require co-payments that patients find unacceptably high. Additionally, third-party payors may not cover, or provide adequate reimbursement for, long-term follow-up evaluations required following the use of our medicines. Patients are unlikely to use our medicines unless coverage is provided and reimbursement is adequate to cover a significant portion of the cost of the medicine. Because some of our medicines and drug candidates have a higher cost of goods than conventional therapies and may require long-term follow-up evaluations, the risk that coverage and reimbursement rates may be inadequate for us to achieve profitability may be greater.

Net prices for drugs may be reduced by mandatory discounts or rebates required by government healthcare programs or private payors and by any future relaxation of laws that presently restrict imports of drugs from countries where they may be sold at lower prices than in the United States. Increasingly, third-party payors are requiring that drug companies provide them with predetermined discounts from list prices and are challenging the prices charged for medical products. We cannot be sure that reimbursement will be available for any product candidate that we commercialize and, if reimbursement is available, the level of reimbursement. In addition, many pharmaceutical manufacturers must calculate and report certain price reporting metrics to the government, such as average sales price (ASP) and best price. Penalties may apply in some cases when such metrics are not submitted accurately and timely. Further, these prices for medicines may be reduced by mandatory discounts or rebates required by government healthcare programs.

In China, drug prices are typically lower than in the United States and Europe, and until recently, the market has been dominated by generic drugs. Government authorities regularly review the inclusion or removal of medicines from China's National Drug Catalog for Basic Medical Insurance, Work-related Injury Insurance and Maternity Insurance, or the National Reimbursement Drug List (the NRDL), or provincial or local medical insurance catalogues for the National Medical Insurance Program, and the tier under which a medicine will be classified, both of which affect the amounts reimbursable to program participants for their purchases of those medicines. There can be no assurance that our medicines and any approved drug candidates will be included in the NRDL or provincial reimbursements lists, or if they are, that they will be included at a price that allows us to be commercially successful. Products included in the NRDL have typically been generic and essential drugs. Innovative drugs similar to our medicines and drug candidates have historically been more limited on their inclusion in the NRDL due to the affordability of the government's Basic Medical Insurance, although this has been changing in recent years. For example, BRUKINSA®, tislelizumab, pamiparib and XGEVA® have been included in the NRDL, While the demand for these medicines has generally increased after inclusion in the NDRL, there can be no assurance that demand will continue to increase and such increases will be sufficient to offset the reduction in the prices and our margins, which could have a material adverse effect on our business, financial condition and results of operations. We prepare for the NRDL negotiations in China for our eligible medicines/indications annually. If any of these medicines/indications are not included in the NRDL, the revenues for such medicines could be limited, which could have a material adverse effect on our business, financial condition and results of operations. Even if such medicines are included in the NRDL, they may be included at prices that are significantly lower than our current prices, reducing our margins, which could have a material adverse effect on our business, financial condition and results of operations.

Increasingly, third-party payors are requiring that companies provide them with predetermined discounts from list prices and are challenging the prices charged for medical products. We cannot be sure that reimbursement will be available for any medicine that we commercialize and, if reimbursement is available, what the level of reimbursement will be. Reimbursement may impact the demand for, or the price of, any medicine which we commercialize. Obtaining or maintaining reimbursement for our medicines may be particularly difficult because of the higher prices often associated with medicines administered under the supervision of a physician. If reimbursement is not available or is available only to limited levels, we may not be able to successfully commercialize any medicine and drug candidate that we in-license or successfully develop.

There may be significant delays in obtaining reimbursement for approved medicines, and coverage may be more limited than the purposes for which the medicine is approved by regulatory authorities. Moreover, eligibility for reimbursement does not imply that any medicine will be paid for in all cases or at a rate that covers our costs, including research, development, manufacture, sale and distribution. Interim payments for new medicines, if applicable, may also not be sufficient to cover our costs and may not be made permanent. Payment rates may vary according to the use of the medicine and the clinical setting in which it is used, may be based on payments allowed for lower cost medicines that are already reimbursed, and may be incorporated into existing payments for other services. Net prices for medicines may be reduced by mandatory discounts or rebates required by government healthcare programs or private payors and by any future weakening of laws that presently restrict imports of medicines from countries where they may be sold at lower prices than in the United States. Our inability to

promptly obtain coverage and profitable payment rates from both government-funded and private payors for our medicines and any new medicines that we develop could have a material adverse effect on our business, our operating results, and our overall financial condition.

We intend to seek approval to market our medicines and drug candidates in the United States, China, Europe and in other jurisdictions. In some countries, such as those in Europe, the pricing of drugs and biologics is subject to governmental control, which can take considerable time even after obtaining regulatory approval. Market acceptance and sales of our medicines will depend significantly on the availability of adequate coverage and reimbursement from third-party payors for our medicines and may be affected by existing and future health care reform measures.

We may be subject to anti-kickback, false claims laws, physician payment transparency laws, fraud and abuse laws or similar healthcare and security laws and regulations in the United States and other jurisdictions, which could expose us to criminal sanctions, civil penalties, contractual damages, reputational harm and diminished sales.

Healthcare providers, physicians and others play a primary role in the recommendation and prescription of any products for which we obtain regulatory approval. Our operations are subject to various federal and state fraud and abuse laws, including, without limitation, the federal Anti-Kickback Statute, the federal False Claims Act (FCA), and physician payment sunshine laws and regulations. These laws may impact, among other things, our proposed sales, marketing and education programs. In addition, we are subject to patient privacy regulation by both the federal government and the states in which we conduct our business.

Additionally, we are subject to state equivalents of each of the healthcare laws described above, among others, some of which may be broader in scope and may apply to healthcare services reimbursed by any third-party payor, not just governmental payors, but also private insurers. These laws are enforced by various state agencies and through private actions. Some states have passed laws that require pharmaceutical companies to comply with the April 2003 Office of Inspector General Compliance Program Guidance for Pharmaceutical Manufacturers and/or other voluntary industry codes of conduct that restrict the payments made to healthcare providers and other potential referral sources. Several states and local laws also impose other marketing restrictions or require pharmaceutical companies to make marketing or price disclosures to the state, require drug manufacturers to report information related to payments and other transfers of value to physicians and other healthcare providers, and require the registration of pharmaceutical sales representatives. State laws also govern the privacy and security of health information in some circumstances. These data privacy and security laws may differ from each other in significant ways and often are not pre-empted by HIPAA, which may complicate compliance efforts. There are ambiguities as to what is required to comply with these state requirements, and if we fail to comply with an applicable state law requirement, we could be subject to penalties.

Violations of fraud and abuse laws may be punishable by criminal and/or civil sanctions, including penalties, fines and/or exclusion or suspension from federal and state healthcare programs such as Medicare and Medicaid and debarment from contracting with the U.S. government. In addition, private individuals have the ability to bring actions on behalf of the U.S. government under the federal FCA as well as under the false claims laws of several states. Neither the U.S. government nor the U.S. courts have provided definitive guidance on the applicability of fraud and abuse laws to our business. Law enforcement authorities are increasingly focused on enforcing these laws, and it is possible that some of our practices may be challenged under these laws. Efforts to ensure that our business arrangements with third parties will comply with applicable healthcare laws and regulations will involve substantial costs. It is possible that governmental authorities will conclude that our business practices may not comply with current or future statutes, regulations or case law involving applicable fraud and abuse or other healthcare laws and regulations. If any such actions are instituted against us, and we are not successful in defending ourselves or asserting our rights, those actions could have a significant impact on our business, including the imposition of civil, criminal and administrative penalties, damages, disgorgement, monetary fines, possible exclusion from participation in Medicare, Medicaid and other federal healthcare programs, contractual damages, individual imprisonment, reputational harm, diminished profits and future earnings, and curtailment or restructuring of our operations, as well as additional reporting obligations and oversight if we become subject to a corporate integrity agreement or other agreement to resolve allegations of non-compliance with these laws.

In addition, the approval, commercialization, and other activities for our medicines and drug candidates outside the United States subjects us to non-U.S. equivalents of the healthcare laws such as those mentioned above, among other non-U.S. laws. As with the state equivalents mentioned above, some of these non-U.S. laws may be broader in scope. Data privacy and security laws and regulations in non-U.S. jurisdictions may also be more stringent than those in the United States, such as the General Data Protection Regulation (GDPR), the Data Security Law of the PRC, and the Personal Information Protection Law of the PRC.

If any of the physicians or other providers or entities with whom we do business are found to be not in compliance with applicable laws, they may be subject to criminal, civil or administrative sanctions, including exclusions from government funded healthcare programs, which may adversely affect our business.

We have operations in the United States, China, Europe, and other markets and plan to expand in these and new markets on our own or with collaborators, which exposes us to risks of conducting business in international markets.

We are currently developing and commercializing or plan to commercialize our medicines in international markets, including China, Europe and other markets outside of the United States, either on our own or with third party collaborators or distributors. Our international business relationships subject us to additional risks that may materially adversely affect our ability to attain or sustain profitable operations, including:

- efforts to enter into collaboration or licensing arrangements with third parties in connection with our international sales, marketing and distribution efforts may increase our expenses or divert our management's attention from the acquisition or development of drug candidates;
- difficulty of effective enforcement of contractual provisions in local jurisdictions;
- potential third-party patent rights or potentially reduced protection for intellectual property rights;
- unexpected changes in tariffs, trade barriers and regulatory requirements, including the loss of normal trade status between China and the United States or actions taken by U.S. or China governmental authorities on companies with significant operations in the U.S. and China, such as us;
- economic weakness, including inflation;
- compliance with tax, employment, immigration and labor laws for employees traveling abroad;
- the effects of applicable non-U.S. tax structures and potentially adverse tax consequences;
- currency fluctuations, which could result in increased operating expenses and reduced revenue;
- workforce uncertainty and labor unrest;
- failure of our employees and contracted third parties to comply with Office of Foreign Asset Control rules and regulations and the Foreign Corrupt Practices Act and other anti-bribery and corruption laws; and
- business interruptions resulting from geo-political actions, including trade disputes, war and terrorism, disease or public health pandemics, such as COVID-19, or natural disasters, including earthquakes, volcanoes, typhoons, floods, hurricanes and fires.

These and other risks may materially adversely affect our ability to attain or sustain revenue in international markets.

The illegal distribution and sale by third parties of counterfeit versions of our medicines or stolen products could have a negative impact on our reputation and business.

Third parties might illegally distribute and sell counterfeit or unfit versions of our medicines, which do not meet our or our collaborators' rigorous manufacturing and testing standards. A patient who receives a counterfeit or unfit medicine may be at risk for a number of dangerous health consequences. Our reputation and business could suffer harm as a result of counterfeit or unfit medicines sold under our or our collaborators' brand name(s). In addition, thefts of inventory at warehouses, plants or while in- transit, which are not properly stored and which are sold through unauthorized channels, could adversely impact patient safety, our reputation and our business.

Risks Related to Clinical Development and Regulatory Approval of Our Medicines and Drug Candidates

We depend substantially on the success of the clinical development of our medicines and drug candidates. If we are unable to successfully complete clinical development, obtain regulatory approvals and commercialize our medicines and drug candidates, or experience significant delays in doing so, our business will be materially harmed.

Our business depends on the successful development, regulatory approval and commercialization of our medicines and other drug candidates we may develop. We have invested a significant portion of our efforts and financial resources in the development of our medicines and drug candidates. The success of our medicines and drug candidates depends on several factors, including:

- successful enrollment in, and completion of, clinical trials, as well as completion of preclinical studies;
- favorable safety and efficacy data from our clinical trials and other studies;
- receipt of regulatory approvals;
- the performance by contract research organizations (CROs) or other third parties we may retain of their duties to us in a manner that complies with our protocols and applicable laws and that protects the integrity of the resulting data;
- obtaining and maintaining patent, trade secret and other intellectual property protection and regulatory exclusivity;
- ensuring that we do not infringe, misappropriate or otherwise violate the valid patent, trade secret or other intellectual property rights of third parties;
- successfully launching our medicines and drug candidates, if and when approved;
- obtaining favorable reimbursement from third-party payors for our medicines and drug candidates, if and when approved;
- competition with other products;
- continued acceptable safety profile following regulatory approval; and
- manufacturing or obtaining sufficient supplies of our medicines, drug candidates and any competitor drug products that may be necessary for use in clinical trials for evaluation of our drug candidates and commercialization of our medicines.

If we do not achieve and maintain one or more of these factors in a timely manner or at all, we could experience significant delays in our ability or be unable to obtain additional regulatory approvals for and/or to successfully commercialize our medicines and drug candidates, which would materially harm our business and we may not be able to generate sufficient revenues and cash flows to continue our operations.

Clinical development involves a lengthy and expensive process with an uncertain outcome, and results of earlier studies and trials may not be predictive of future trial results.

Clinical development is expensive and can take many years to complete, and its outcome is inherently uncertain. Failure can occur at any time during the clinical trial process. The results of preclinical studies and early clinical trials of our drug candidates may not be predictive of the results of later-stage clinical trials, and initial or interim results of a trial may not be predictive of the final results. Drug candidates in later stages of clinical trials may fail to show the desired safety and efficacy traits despite having progressed through preclinical studies and initial clinical trials. In some instances, there can be significant variability in safety and/or efficacy results between different trials of the same drug candidate due to numerous factors, including changes in trial procedures set forth in protocols, differences in the size and type of the patient populations, including genetic differences, patient adherence to the dosing regimen and other trial protocol elements and the rate of dropout among clinical trial participants. In the case of any trials we conduct, results may differ from earlier trials due to the larger number of clinical trial sites and additional countries involved in such trials. A number of companies in our industry have suffered significant setbacks in advanced clinical trials due to lack of efficacy or adverse safety profiles, notwithstanding promising results in earlier trials. Our future clinical trial results may not be favorable.

Even if our future clinical trial results show favorable efficacy and durability of anti-tumor responses, not all patients may benefit. For certain drugs, including checkpoint inhibitors, and in certain indications, it is likely that the majority of patients may not respond to the agents at all, some responders may relapse after a period of response, and certain tumor types may appear particularly resistant.

If clinical trials of our drug candidates fail to demonstrate safety and efficacy to the satisfaction of regulatory authorities or do not otherwise produce positive results, we may incur additional costs or experience delays in completing, or ultimately be unable to complete, the development and commercialization of our drug candidates.

Before obtaining regulatory approval for the sale of our drug candidates, we must conduct extensive clinical trials to demonstrate the safety and efficacy of our drug candidates in humans. We may experience numerous unexpected events during, or as a result of, clinical trials that could delay or prevent our ability to receive regulatory approval or commercialize our drug candidates, including but not limited to: regulators, institutional review boards (IRBs), or ethics committees may not authorize us or our investigators to commence a clinical trial or conduct a clinical trial at a prospective trial site; our inability to reach agreements on acceptable terms with CROs and trial sites, the terms of which can be subject to extensive negotiation and may vary significantly; manufacturing issues, including problems with manufacturing, supply quality, compliance with GMP, or obtaining sufficient quantities of a drug candidate for use in a clinical trial or for commercialization; clinical trials of our drug candidates may produce negative or inconclusive results, and we may decide, or regulators may require us, to conduct additional clinical trials or abandon drug development programs; the number of patients required for clinical trials of our drug candidates may be larger than we anticipate, enrollment may be insufficient or slower than we anticipate or patients may drop out at a higher rate than we anticipate; our third-party contractors, including clinical investigators, may fail to comply with regulatory requirements or meet their contractual obligations to us in a timely manner, or at all; we might have to suspend or terminate clinical trials of our drug candidates for various reasons, including a finding of a lack of clinical response or other unexpected characteristics or a finding that participants are being exposed to unacceptable health risks; regulators, IRBs or ethics committees may require that we or our investigators suspend or terminate clinical research or not rely on the results of clinical research for various reasons, including noncompliance with regulatory requirements; the cost of clinical trials of our drug candidates may be greater than we anticipate; and the supply or quality of our medicines and drug candidates, companion diagnostics or other materials necessary to conduct clinical trials of our drug candidates or commercialization of our medicines may be insufficient or inadequate.

If we are required to conduct additional clinical trials or other testing of our drug candidates beyond those that we currently contemplate, if we are unable to successfully complete clinical trials of our drug candidates or other testing, if the results of these trials or tests are not positive or are only modestly positive or if they raise safety concerns, we may:

- be delayed in obtaining regulatory approval for our drug candidates;
- not obtain regulatory approval at all;
- obtain approval for indications that are not as broad as intended;
- have the drug removed from the market after obtaining regulatory approval;
- be subject to additional post-marketing testing requirements;
- be subject to warning labels or restrictions on how the drug is distributed or used; or
- be unable to obtain reimbursement or obtain reimbursement at a commercially viable level for use of the drug.

Significant clinical trial, manufacturing or regulatory delays may also increase our development costs and could shorten any periods during which we have the exclusive right to commercialize our drug candidates or allow our competitors to bring drugs to market before we do. This could impair our ability to commercialize our drug candidates and may harm our business and results of operations.

If we encounter difficulties enrolling patients in our clinical trials, our clinical development activities could be delayed or otherwise adversely affected.

The timely completion of clinical trials in accordance with their protocols depends, among other things, on our ability to enroll a sufficient number of patients who remain in the trial until its conclusion. We have and may continue to experience difficulties in patient enrollment in our clinical trials for a variety of reasons, including the size and nature of the patient population and the patient eligibility criteria defined in the protocol, competition from competing companies, and natural disasters or public health epidemics, such as the COVID-19 pandemic.

Our clinical trials will likely compete with other clinical trials for drug candidates that are in the same therapeutic areas as our drug candidates, and this competition will reduce the number and types of patients available to us, because some patients who might have opted to enroll in our trials may instead opt to enroll in a trial being conducted by one of our competitors. Because the number of qualified clinical investigators and clinical trial sites is limited, we expect to conduct some of our clinical trials at the same clinical trial sites that some of our competitors use, which will reduce the number of patients who are

available for our clinical trials at such clinical trial sites. Even if we are able to enroll a sufficient number of patients in our clinical trials, delays in patient enrollment may result in increased costs or may affect the timing or outcome of the planned clinical trials, which could delay or prevent completion of these trials and adversely affect our ability to advance the development of our drug candidates.

Risks Related to Extensive Government Regulation

All material aspects of the research, development, manufacturing and commercialization of pharmaceutical products are heavily regulated, and we may face difficulties in complying with or be unable to comply with such regulations, which could have a material adverse effect on our business.

All jurisdictions in which we conduct or intend to conduct our pharmaceutical-industry activities regulate these activities in great depth and detail. We are currently focusing our activities in the major markets of the United States, China, Europe, and other select countries. These geopolitical areas all strictly regulate the pharmaceutical industry, and in doing so they employ broadly similar regulatory strategies, including regulation of product development and approval, manufacturing, and marketing, sales and distribution of products. However, there are differences in the regulatory regimes-some minor, some significant-that make for a more complex and costly regulatory compliance burden for a company like ours that plans to operate in each of these regions. Additionally, the NMPA's reform of the medicine and approval system may face implementation challenges. The timing and full impact of such reforms is uncertain and could prevent us from commercializing our medicines and drug candidates in a timely manner.

The process of obtaining regulatory approvals and compliance with appropriate laws and regulations require the expenditure of substantial time and financial resources. Failure to comply with the applicable requirements at any time during the product development process, approval process, or after approval, may subject us to administrative or judicial sanctions. These sanctions could include a regulator's refusal to approve pending applications, withdrawal of an approval, license revocation, a clinical hold, voluntary or mandatory product recalls, product seizures, total or partial suspension of production or distribution, injunctions, fines, refusals of government contracts, restitution, disgorgement, or civil or criminal penalties. The failure to comply with these regulations could have a material adverse effect on our business. For example, on March 25, 2020, the NMPA suspended the importation, sales and use of ABRAXANE® in China supplied to us by BMS, and the drug was subsequently recalled by BMS and is not currently available for sale in China. This suspension was based on inspection findings at BMS's contract manufacturing facility in the United States. Additionally, in October 2021, BMS provided 180-days' notice to us, which we dispute, purporting to terminate our license to market ABRAXANE® in China. We have not had any sales of ABRAXANE® since the suspension and do not expect future revenue from ABRAXANE®. We have initiated an arbitration proceeding against BMS asserting that it has breached and continues to breach the terms and conditions of the license and supply agreement. For additional information, please see the section of this report titled "Part II – Item 1 – Legal Proceedings". Additionally, although we have obtained regulatory approvals of our medicines, regulatory authorities could suspend or withdraw these approvals. In order to market approved products in any given jurisdiction, we must comply with numerous and varying regulatory requirements of such jurisdiction regarding safety, efficacy and quality. In any event, the receipt of regulatory approval does not assure the success of our commercialization efforts for our medicines.

The approval processes of regulatory authorities in the United States, China, Europe and other comparable regulatory authorities are lengthy, time consuming and inherently unpredictable. If we are ultimately unable to obtain regulatory approval for our drug candidates, our business will be substantially harmed.

The time required to obtain approval by the FDA, the NMPA, the EMA, and other comparable regulatory authorities is unpredictable and typically takes many years following the commencement of preclinical studies and clinical trials and depends on numerous factors, including the substantial discretion of the regulatory authorities.

Our drug candidates could be delayed or fail to receive regulatory approval for many reasons, including:

- failure to begin or complete clinical trials due to disagreements with regulatory authorities;
- failure to demonstrate that a drug candidate is safe and effective or that a biologic candidate is safe, pure, and potent for its proposed indication;
- failure of clinical trial results to meet the level of statistical significance required for approval;
- reporting or data integrity issues related to our clinical trials;
- disagreement with our interpretation of data from preclinical studies or clinical trials;

- changes in approval policies or regulations that render our preclinical and clinical data insufficient for approval or require us to amend our clinical trial protocols;
- regulatory requests for additional analyses, reports, data, nonclinical studies and clinical trials, or questions regarding interpretations of data and results and the emergence of new information regarding our drug candidates or other products;
- failure to satisfy regulatory conditions regarding endpoints, patient population, available therapies and other requirements for our clinical trials in order to support marketing approval on an accelerated basis or at all;
- a delay in or the inability of health authorities to complete regulatory inspections of our development activities, regulatory filings or manufacturing operations, whether as a result of the COVID-19 pandemic or other reasons, or our failure to satisfactorily complete such inspections;
- our failure to conduct a clinical trial in accordance with regulatory requirements or our clinical trial protocols; and
- clinical sites, investigators or other participants in our clinical trials deviating from a trial protocol, failing to conduct the trial in accordance with regulatory requirements, or dropping out of a trial.

The FDA, NMPA, EMA or a comparable regulatory authority may require more information, including additional preclinical, CMC, and/or clinical data, to support approval, which may delay or prevent approval and our commercialization plans, or we may decide to abandon the development program.

Changes in regulatory requirements and guidance may also occur, and we may need to amend clinical trial protocols submitted to applicable regulatory authorities to reflect these changes. Amendments may require us to resubmit clinical trial protocols to IRBs or ethics committees for re-examination, which may impact the costs, timing or successful completion of a clinical trial.

If we experience delays in the completion of, or the termination of, a clinical trial of any of our drug candidates, the commercial prospects of that drug candidate will be harmed, and our ability to generate product revenues from that drug candidate will be delayed. In addition, any delays in completing our clinical trials will increase our costs, slow down our drug development and approval process, and jeopardize our ability to commence product sales and generate revenues for that candidate. Any of these occurrences may harm our business, financial condition and prospects significantly. In addition, many of the factors that cause, or lead to, a delay in the commencement or completion of clinical trials may also ultimately lead to the denial of regulatory approval of our drug candidates.

Our development activities, regulatory filings and manufacturing operations also could be harmed or delayed by a shutdown of the U.S. government, including the FDA, or governments and regulatory authorities in other jurisdictions. As of May 2021, the FDA noted it is continuing to ensure timely reviews of applications for medical products during the COVID-19 pandemic in line with its user fee performance goals. In July 2020, the FDA noted that it is continuing to expedite oncology product development with its staff teleworking full-time. However, the FDA may not be able to continue its current pace and approval timelines could be extended, including where a pre-approval inspection or an inspection of clinical sites is required and due to the COVID-19 pandemic and travel restrictions FDA is unable to complete such required inspections during the review period. The FDA has developed a rating system to assist in determining when and where it is safest to conduct prioritized domestic inspections. In May 2021, certain inspections, such as foreign preapproval, surveillance, and for-cause inspections that are not deemed mission-critical, remain temporarily suspended. In April 2021, the FDA issued guidance for industry formally announcing plans to employ remote interactive evaluations, using risk management methods, to meet user fee commitments and goal dates and in May 2021, announced plans to continue progress toward resuming standard operation levels. Should the FDA determine that an inspection is necessary for approval and an inspection cannot be completed during the review cycle due to restrictions on travel, and the FDA does not determine a remote interactive evaluation to be adequate, the agency has stated that it generally intends to issue a complete response letter or defer action on the application until an inspection can be completed. In July 2021, the FDA issued a Q&A to further illustrate the actions that it may take when it cannot inspect a facility due to factors including travel restrictions. In 2020 and 2021, a number of companies announced receipt of complete response letters due to the FDA's inability to complete required inspections for their applications. Regulatory authorities outside the U.S. may adopt similar restrictions or other policy measures in response to the ongoing COVID-19 pandemic and may experience delays in their regulatory activities. If the FDA or other health authorities are delayed or unable to complete required regulatory inspections of our development activities, regulatory filings or manufacturing operations, or we do not satisfactorily complete such inspections, our business could be materially harmed.

We are currently conducting and may in the future conduct clinical trials for our drug candidates outside the U.S., and the FDA and comparable foreign regulatory authorities may not accept data from such trials.

We are currently conducting and may in the future conduct clinical trials for our drug candidates outside the U.S., including in China. The acceptance of data from clinical trials conducted outside the U.S. or another jurisdiction by the FDA or comparable foreign regulatory authority may be subject to certain conditions or may not be accepted at all. The FDA will generally not consider the data from a foreign clinical trial not conducted under an IND unless (i) the trial was well-designed and well-conducted in accordance with GCP requirements, including requirements for the design, conduct, performance, monitoring, auditing, recording, analysis, and reporting of clinical trials in a way that provides assurance that the data and reported results are credible and accurate and that the rights, safety, and well-being of trial subjects are protected, and (ii) the FDA is able to validate the data from the trial through an onsite inspection, if necessary. In cases where data from foreign clinical trials are intended to serve as the sole basis for marketing approval in the U.S., the FDA will generally not approve the application on the basis of foreign data alone unless (i) the data are applicable to the U.S. population and U.S. medical practice; (ii) the trials were performed by clinical investigators of recognized competence; and (iii) the data may be considered valid without the need for an on-site inspection by the FDA or, if the FDA considers such as inspection to be necessary, the FDA is able to validate the data through an on-site inspection or other appropriate means. Additionally, the FDA's clinical trial requirements, including sufficient size of patient populations and statistical powering must be met. Many foreign regulatory authorities have similar approval requirements. In addition, such foreign trials would be subject to the applicable local laws of the foreign jurisdictions where the trials are conducted. There can be no assurance that the FDA or any comparable foreign regulatory authority will accept data from trials conducted outside of the U.S. or the applicable jurisdiction. If the FDA or any comparable foreign regulatory authority does not accept such data, it would result in the need for additional trials, which could be costly and time-consuming, and which may result in drug candidates that we may develop not receiving approval for commercialization in the applicable jurisdiction.

Our medicines and any future approved drug candidates will be subject to ongoing regulatory obligations and continued regulatory review, which may result in significant additional expense and we may be subject to penalties if we fail to comply with regulatory requirements or experience unanticipated problems with our medicines and drug candidates.

Our medicines and any additional drug candidates that are approved will be subject to ongoing regulatory requirements for manufacturing, labeling, packaging, storage, advertising, promotion, sampling, record-keeping, conduct of post-marketing studies, and submission of safety, efficacy, and other post-marketing information, including both federal and state requirements in the United States and requirements of comparable regulatory authorities in China, Europe and other regions. As such, we and our collaborators will be subject to ongoing review and periodic inspections to assess compliance with applicable post-approval regulations. Additionally, to the extent we want to make certain changes to the approved medicines, product labeling, or manufacturing processes, we will need to submit new applications or supplements to regulatory authorities for approval.

Manufacturers and manufacturers' facilities are required to comply with extensive FDA, NMPA, EMA and comparable regulatory authority requirements, including, in the United States, ensuring that quality control and manufacturing procedures conform to GMP regulations. As such, we and our contract manufacturers are and will be subject to continual review and inspections to assess compliance with GMP and adherence to commitments made in any NDA or BLA, other marketing application, and previous responses to any inspection observations. Accordingly, we and others with whom we work must continue to expend time, money and effort in all areas of regulatory compliance, including manufacturing, production and quality control. The failure to comply with these requirements could have a material adverse effect on our business. For example, on March 25, 2020, the NMPA suspended the importation, sales and use of ABRAXANE® in China supplied to us by BMS, and the drug was subsequently recalled by BMS and is not currently available for sale in China. This suspension was based on inspection findings at BMS's contract manufacturing facility in the United States. Additionally, in October 2021, BMS provided 180-days' notice to us, which we dispute, purporting to terminate our license to market ABRAXANE® in China. We have not had any sales of ABRAXANE® since the suspension and do not expect future revenue from ABRAXANE®. We have initiated an arbitration proceeding against BMS asserting that it has breached and continues to breach the terms and conditions of the license and supply agreement. For additional information, please see the section of this report titled "Part II – Item 1 – Legal Proceedings".

The regulatory approvals for our medicines and any approvals that we receive for our drug candidates are and may be subject to limitations on the approved indicated uses for which the medicine may be marketed or to the conditions of approval, which could adversely affect the medicine's commercial potential or contain requirements for potentially costly post-marketing testing and surveillance to monitor the safety and efficacy of the medicine or drug candidate. The FDA, NMPA, EMA or comparable regulatory authorities may also require a REMS program or comparable program as a condition of approval of our drug candidates or following approval, as is the case with REVLIMID®. In addition, if the FDA, NMPA, EMA or a comparable regulatory authority approves our drug candidates, we will have to comply with requirements including, for example,

submissions of safety and other post-marketing information and reports, establishment registration, as well as continued compliance with GMP and good clinical practice (GCP) for any clinical trials that we conduct post-approval.

The FDA, NMPA, EMA or comparable regulatory authorities may seek to impose a consent decree or withdraw marketing approval if compliance with regulatory requirements is not maintained or if problems occur after the drug reaches the market. Later discovery of previously unknown problems with our medicines or drug candidates or with our drug's manufacturing processes, or failure to comply with regulatory requirements, may result in revisions to the approved labeling to add new safety information; imposition of post-market studies or clinical studies to assess new safety risks; or imposition of distribution restrictions or other restrictions under a REMS program. Other potential consequences include, among other things:

- restrictions on the marketing or manufacturing of our medicines, withdrawal of the product from the market, or voluntary or mandatory product recalls;
- fines, untitled or warning letters, or holds on clinical trials;
- refusal by the FDA, NMPA, EMA or comparable regulatory authorities to approve pending applications or supplements to approved applications filed by us or suspension or revocation of license approvals or withdrawal of approvals;
- product seizure or detention, or refusal to permit the import or export of our medicines and drug candidates; and
- injunctions or the imposition of civil or criminal penalties.

The FDA, NMPA, EMA and other regulatory authorities strictly regulate the marketing, labeling, advertising and promotion of products that are placed on the market. Drugs may be promoted only for their approved indications and for use in accordance with the provisions of the approved label. The FDA, NMPA, EMA and other regulatory authorities actively enforce the laws and regulations prohibiting the promotion of off-label uses, and a company that is found to have improperly promoted off-label uses may be subject to significant liability. The policies of the FDA, NMPA, EMA and of other regulatory authorities may change and additional government regulations may be enacted that could prevent, limit or delay regulatory approval of our drug candidates. We cannot predict the likelihood, nature or extent of government regulation that may arise from future legislation or administrative action, either in the United States or abroad, particularly in China, where the regulatory environment is constantly evolving. If we are slow or unable to adapt to changes in existing requirements or the adoption of new requirements or policies, or if we are not able to maintain regulatory compliance, we may lose any regulatory approval that we may have obtained and we may not achieve or sustain profitability.

In addition, if we obtain accelerated approval or conditional approval of any of our drug candidates, as we have done with the accelerated approval of BRUKINSA® in the United States and China and certain approvals of tislelizumab, pamiparib, XGEVA®, BLINCYTO®, KYPROLIS® and QARZIBA® in China, we will be required to conduct a confirmatory study to verify the predicted clinical benefit and may also be required to conduct post-marketing safety studies. Other comparable regulatory authorities may have similar requirements. The results from the confirmatory study may not support the clinical benefit, which could result in the approval being withdrawn. While operating under accelerated approval, we will be subject to certain restrictions that we would not be subject to upon receiving regular approval.

Even if we are able to commercialize our medicines and any approved drug candidates, the medicines may become subject to unfavorable pricing regulations or third-party reimbursement practices or healthcare reform initiatives, which could harm our business.

The regulations that govern regulatory approvals, pricing and reimbursement for new therapeutic products vary widely from country to country. Historically, products launched in Europe do not follow price structures of the U.S. and generally prices tend to be significantly lower. Countries in Europe provide options to restrict the range of medicinal products for which their national health insurance systems provide reimbursement and to control the prices of medicinal products for human use. To obtain reimbursement or pricing approval, some of these countries may require the completion of clinical trials that compare the cost effectiveness of a particular product candidate to currently available therapies. Countries may approve a specific price for the medicinal product or it may instead adopt a system of direct or indirect controls on the profitability of the company placing the medicinal product on the market.

Some countries require approval of the sale price of a drug before it can be marketed. In many countries, the pricing review period begins after marketing or licensing approval is granted. In some non-U.S. markets, prescription pharmaceutical pricing remains subject to continuing governmental control even after initial approval is granted. As a result, we might obtain regulatory approval for a drug in a particular country, but then be subject to price regulations that delay our commercial launch of the drug and negatively impact our revenues and results of operations.

Our ability to commercialize our medicines successfully also will depend in part on the extent to which reimbursement for these medicines and related treatments will be available on adequate terms, or at all, from government health administration authorities, private health insurers and other organizations. See "— Risks Related to Commercialization of Our Medicines and Drug Candidates — If we or any third parties with which we may collaborate to market and sell our medicines are unable to achieve and maintain coverage and adequate level of reimbursement, our commercial success and business operations could be adversely affected."

Net prices for drugs may be reduced by mandatory discounts or rebates required by government healthcare programs or private payors and by any future relaxation of laws that presently restrict imports of drugs from countries where they may be sold at lower prices than in the United States. Increasingly, third-party payors are requiring that drug companies provide them with predetermined discounts from list prices and are challenging the prices charged for medical products. We cannot be sure that reimbursement will be available for any medicine that we commercialize and, if reimbursement is available, the level of reimbursement. In addition, many pharmaceutical manufacturers must calculate and report certain price reporting metrics to the government, such as ASP and best price. Penalties may apply in some cases when such metrics are not submitted accurately and timely. Further, these prices for drugs may be reduced by mandatory discounts or rebates required by government healthcare programs.

Furthermore, there continues to be scrutiny from federal and state governments over the way drug manufacturers set prices for their marketed products. For example, there are ongoing Congressional investigations, legislation, and regulations to, among other things, bring more transparency to drug pricing, set patient spending caps for Medicare beneficiaries , reduce the cost of prescription drugs under Medicare, review the relationship between pricing and manufacturer's patient programs, reform federal and state government program reimbursement methodologies for drug products, allow importation of lower-priced drugs from Canada, and set prices based on international reference pricing in other countries. While some of these measures can be done through agency rulemaking, most will require statutory changes by Congress. While addressing drug pricing and patient affordability remains a top priority for Congress, it remains to be seen if any agreement can be reached on a legislative solution. It is therefore unclear if any regulations or legislation will be enacted to implement changes to drug pricing or federal and state government reimbursement programs or what the impact of such changes on the marketing approvals of our drug candidates, if any, may be.

In China, the government launched a national program for volume-based, centralized drug procurement with minimum quantity commitments in an attempt to negotiate lower prices from drug manufacturers and reduce the price of drugs. Under the program, one of the key determining factors for a successful bid is the price. The government will award a contract to the lowest bidders who are able to satisfy the quality and quantity requirements. The successful bidders will be guaranteed a sale volume for at least a year. A volume guarantee gives the winner an opportunity to gain or increase market share. The volume guarantee is intended to make manufacturers more willing to cut their prices to win a bid. It may also enable manufacturers to lower their distribution and commercial costs. Many types of drugs are covered under the program, including drugs made by international pharmaceutical companies and generics made by domestic Chinese manufacturers. For example, in January 2020, ABRAXANE® and its generic forms were included in the program. We won the bid and became one of the three companies who were awarded a government contract, with a price for sales of ABRAXANE® under the government contract that would have been significantly lower than the price that we had been charging. On March 25, 2020, the NHSA removed ABRAXANE® from the volume-based procurement list due to the NMPA's decision to suspend the importation, sales and use of ABRAXANE®, which has adversely impacted our business and results of operations. In August 2020, VIDAZA® and its generic forms were included for bidding in the program. We did not win the bid for VIDAZA®, which has resulted in the drug being restricted from use in public hospitals, which account for a large portion of the market, and a decline in sales revenue. Moreover, the program may change how generic drugs are priced and procured in China and is likely to accelerate the replacement of originator drugs with generics. We cannot be sure whether there will be any changes to the program in the future. The implementation of the program may negatively impact our existing commercial operations in China as well as our strategies on how to commercialize our drugs in China, which could have a material adverse effect on our business, financial condition and results of operations.

Increasingly, third-party payors are requiring that companies provide them with predetermined discounts from list prices and are challenging the prices charged for medical products. We cannot be sure that reimbursement will be available for any medicine that we commercialize and, if reimbursement is available, what the level of reimbursement will be. Reimbursement may impact the demand for, or the price of, any medicine which we commercialize. Obtaining or maintaining reimbursement for our medicines may be particularly difficult because of the higher prices often associated with drugs administered under the supervision of a physician. If reimbursement is not available or is available only to limited levels, we may not be able to successfully commercialize any drug and drug candidate that we in-license or successfully develop.

We intend to seek approval to market our drug candidates in the United States, China, Europe and in other jurisdictions. In some non-U.S. countries, for example those in Europe, the pricing of drugs and biologics is subject to governmental control,

which can take considerable time even after obtaining regulatory approval. Market acceptance and sales of our medicines will depend significantly on the availability of adequate coverage and reimbursement from third-party payors for drugs and may be affected by existing and future health care reform measures.

Although China adopted changes to its patent law to include patent term extension and an early resolution mechanism for pharmaceutical patent disputes starting in June 2021, key provisions of the law remain unclear and/or subject to implementing regulations. The absence of effective regulatory exclusivity for pharmaceutical products in China could further increase the risk of early generic or biosimilar competition with our medicines in China.

In the United States, a law commonly referred to as "Hatch-Waxman" provides the opportunity for patent-term restoration of up to five years to reflect patent term lost during certain portions of product development and the FDA regulatory review process. The Hatch-Waxman law also provides for patent linkage, pursuant to which FDA will stay approval of certain follow-on new drug applications during the pendency of litigation between the follow-on applicant and the patent holder or licensee, for a period of up to 30 months. Finally, the Hatch-Waxman law provides for regulatory exclusivity that can prevent submission or approval of certain follow-on marketing applications. For example, U.S. law provides a five-year period of exclusivity to the first applicant to obtain approval of a new chemical entity and three years of exclusivity protecting certain innovations to previously approved active ingredients where the applicant was required to conduct new clinical trials to obtain approval for the modification. Similarly, the Orphan Drug Act provides seven years of market exclusivity for certain drugs to treat rare diseases. These provisions, which are designed to promote innovation, can prevent competing products from entering the market for a certain period of time after marketing approval for the innovative product.

In China, however, laws on data exclusivity (referred to as regulatory data protection) are still developing. The PRC Patent Law (as amended in 2020, the "Amended PRC Patent Law"), which became effective on June 1, 2021, contains both patent term extension and a mechanism for early resolution of patent disputes. Accordingly, NMPA and NIPA jointly issued the Implementation Measures for the Early Settlement Mechanism of Drug Patent Disputes (for Trial Implementation), which became effective on July 4, 2021. However, the provisions for patent term extension are unclear and/or remain subject to the approval of implementing regulations that are still in draft form or have not yet been proposed, leading to uncertainty about their scope and implementation.

Until the relevant implementing regulations for patent term extension in the Amended PRC Patent Law are implemented, and until data exclusivity is adopted and implemented, we may be subject to earlier generic or biosimilar competition in China than in the United States and other jurisdictions with stronger regulatory data protection for pharmaceutical products.

The manufacturing facilities for our medicines and drug candidates are subject to rigorous regulations and failure to obtain or maintain regulatory approvals or operate in line with established GMPs and international best practices could delay or impair our ability to commercialize our medicines or drug candidates.

We and the third-party manufacturers of our medicines and drug candidates are subject to applicable GMPs prescribed by the FDA and other rules and regulations prescribed by the NMPA, EMA and other regulatory authorities. To obtain FDA, NMPA and EMA approval for our drug candidates in the United States, China and Europe, we need to undergo strict pre-approval inspections of our or our third-party manufacturing facilities located in China and elsewhere. Historically, some manufacturing facilities in China have had difficulty meeting the FDA's, NMPA's or EMA's standards. When inspecting our or our contractors' manufacturing facilities, the FDA, NMPA or EMA might cite GMP deficiencies, both minor and significant, which we may not be required to disclose. Remediating deficiencies can be laborious and costly and consume significant periods of time. Moreover, if the FDA, NMPA or EMA notes deficiencies as a result of its inspection, it will generally reinspect the facility to determine if the deficiency has been remediated to its satisfaction. The FDA, NMPA or EMA may note further deficiencies as a result of its reinspection, either related to the previously identified deficiency or otherwise. If we or the manufacturers of our drug candidates cannot satisfy the FDA, NMPA and EMA as to compliance with GMP on a timely basis, marketing approval for our drug candidates could be seriously delayed, which in turn would delay commercialization of our drug candidates, or we may not be able to commercialize our medicines or drug candidates.

Undesirable adverse events caused by our medicines and drug candidates could interrupt, delay or halt clinical trials, delay or prevent regulatory approval, limit the commercial profile of an approved label, or result in significant negative consequences following any regulatory approval.

Undesirable adverse events (AEs) caused by our medicines and drug candidates could cause us or regulatory authorities to interrupt, delay or halt clinical trials and could result in a more restrictive label or the delay or denial of regulatory approval, or could result in limitations or withdrawal following approvals. If the conduct or results of our trials or patient experience following approval reveal a high and unacceptable severity or prevalence of AEs, our trials could be suspended or terminated and regulatory authorities could order us to cease further development of, or deny approval of, our drug candidates or require us to cease commercialization following approval.

As is typical in the development of pharmaceutical products, drug-related AEs and serious AEs (SAEs) have been reported in our clinical trials. Some of these events have led to patient deaths. Drug-related AEs or SAEs could affect patient recruitment or the ability of enrolled subjects to complete the trial and could result in product liability claims. Any of these occurrences may harm our reputation, business, financial condition and prospects significantly. In our periodic and current reports filed with the SEC and our press releases and scientific and medical presentations released from time to time we disclose clinical results for our drug candidates, including the occurrence of AEs and SAEs. Each such disclosure speaks only as of the date of the data cutoff used in such report, and we undertake no duty to update such information unless required by applicable law. Also, a number of immune-related adverse events (IRAEs) have been associated with treatment with checkpoint inhibitors such as tislelizumab, including immune-mediated pneumonitis, colitis, hepatitis, endocrinopathies, nephritis and renal dysfunction, skin adverse reactions, and encephalitis. These IRAEs may be more common in certain patient populations (potentially including elderly patients) and may be exacerbated when checkpoint inhibitors are combined with other therapies.

Additionally, undesirable side effects caused by our medicines and drug candidates, or caused by our medicines and drug candidates when used in combination with other drugs, could potentially cause significant negative consequences, including:

- regulatory authorities could delay or halt pending clinical trials;
- we may suspend, delay or alter development of the drug candidate or marketing of the medicine;
- regulatory authorities may withdraw approvals or revoke licenses of the medicine, or we may determine to do so even if not required;
- regulatory authorities may require additional warnings on the label;
- we may be required to implement a Risk Evaluation Mitigation Strategy (REMS) for the drug, as is the case with REVLIMID®, or, if a REMS is already in place, to incorporate additional requirements under the REMS, or to develop a similar strategy as required by a regulatory authority;
- we may be required to conduct post-marketing studies; and
- we could be sued and held liable for harm caused to subjects or patients.

Any of these events could prevent us from achieving or maintaining market acceptance of the particular drug or drug candidate, and could significantly harm our business, results of operations, financial condition, and prospects.

If safety, efficacy, or other issues arise with any medical product that is used in combination with our medicines, we may be unable to market such medicine or may experience significant regulatory delays or supply shortages, and our business could be materially harmed.

We plan to develop certain of our medicines and drug candidates for use as a combination therapy. If a regulatory authority revokes its approval of the other therapeutic that we use in combination with our medicines or drug candidates, we will not be able to market our medicines or drug candidates in combination with such revoked therapeutic. If safety or efficacy issues arise with these or other therapeutics that we seek to combine with our medicines and drug candidates in the future, we may experience significant regulatory delays, and we may be required to redesign or terminate the applicable clinical trials. In addition, if manufacturing or other issues result in a supply shortage of any component of our combination medicines or drug candidates, we may not be able to complete clinical development of our drug candidates on our current timeline or at all, or we may experience disruptions in the commercialization of our approved medicines. For example, we have in-licensed drug candidates from third parties to conduct clinical trials in combination with our drug candidates. We may rely on those third parties to manufacture the in-licensed drug candidates and may not have control over their manufacturing process. If these third parties encounter any manufacturing difficulties, disruptions or delays and are not able to supply sufficient quantities of drug candidates, our drug combination study program may be delayed.

Recently enacted and future legislation may increase the difficulty and cost for us to obtain regulatory approval of and commercialize our medicines and drug candidates and affect the prices we may obtain.

In the United States, China, Europe and some other jurisdictions, there have been a number of legislative and regulatory changes and proposed changes regarding healthcare that could prevent or delay regulatory approval of our drug candidates, restrict or regulate post-approval activities and affect our ability to profitably sell our medicines and any drug candidates for which we obtain regulatory approval. We expect that healthcare reform measures may result in more rigorous coverage criteria and in additional downward pressure on the price that we receive for any approved medicine. Any reduction in reimbursement from Medicare or other government programs may result in a similar reduction in payments from private payors. The

implementation of cost containment measures or other healthcare reforms may prevent us from being able to generate revenue, attain profitability, or commercialize our medicines and drug candidates.

Legislative and regulatory proposals have been made to expand post-approval requirements and restrict sales and promotional activities for pharmaceutical products. We cannot be sure whether additional legislative changes will be enacted, or whether any regulations, guidance or interpretations will be changed, or what the impact of such changes on the regulatory approvals of our medicines and drug candidates may be.

For example, in the United States, there have been numerous judicial, administrative, executive, and legislative challenges to certain aspects of the Affordable Care Act (the ACA), and there could be additional challenges and amendments to the ACA in the future, which could have a material adverse impact on our business, results of operations and financial condition.

Risks Related to Our Financial Position and Need for Additional Capital

We have incurred significant net losses since our inception and anticipate that we will continue to incur net losses for the foreseeable future and may not become profitable.

Investment in pharmaceutical drug development is highly capital-intensive and speculative. It entails substantial upfront capital expenditures and significant risk that a drug candidate will fail to gain regulatory approval or become commercially viable. We continue to incur significant expenses related to our ongoing operations. As a result, we have incurred losses in each period since our inception, except in the third quarter of 2017 and the first quarter of 2021, when we were profitable due to revenue recognized from an up-front license fee from collaboration agreements. As of March 31, 2022 and December 31, 2021, we had an accumulated deficit of $5.4 billion and $5.0 billion, respectively. Substantially all of our operating losses have resulted from costs incurred in connection with our research and development programs and from selling, general and administrative expenses associated with our operations.

We expect to continue to incur losses for the foreseeable future, and we expect these losses to increase in the near term as we continue and expand our development of, and seek regulatory approvals for, our drug candidates, and our manufacturing facilities, commercialize our medicines and launch new medicines, if approved, maintain and expand regulatory approvals, contribute up to $1.25 billion to the global development of a portfolio of Amgen pipeline assets under our collaboration agreement, and commercialize the medicines that we have licensed from Amgen, BMS and other parties and any other medicines that we may successfully develop or license. Typically, it takes many years to develop one new drug from the time it is discovered to when it is available for treating patients. In addition, we will continue to incur costs associated with operating as a public company. We will also incur costs in support of our growth as a commercial-stage global biotechnology company. The size of our future net losses will depend, in part, on the number and scope of our drug development programs and the associated costs of those programs, the cost of our manufacturing activities, the cost of commercializing our approved products, our ability to generate revenues and the timing and amount of milestones and other payments we make or receive with arrangements with third parties. If we fail to achieve market acceptance for our medicines or any of our drug candidates fail in clinical trials or do not gain regulatory approval, or if approved, fail to achieve market acceptance, we may never become profitable. Even if we achieve profitability in the future, we may not be able to sustain profitability in subsequent periods. Our failure to become and remain profitable would decrease the value of our company and could impair our ability to raise capital, maintain our research, development, manufacturing and commercialization efforts, expand our business or continue our operations.

We have limited experience in obtaining regulatory approvals and commercializing pharmaceutical products, which may make it difficult to evaluate our current business and predict our future performance.

We have limited experience in completing large-scale, pivotal or registrational clinical trials and obtaining, maintaining or expanding regulatory approvals for our medicines and drug candidates. Additionally, we have limited experience in manufacturing, sales, marketing or distribution of pharmaceutical products. We became a commercial-stage company in 2017, with the in-license of medicines in China from BMS, and received the first approvals for our internally developed drug candidates in late 2019 in the United States, in 2020 in China, and in 2021 in Europe. Our limited experience operating as a commercial-stage company may make it difficult to evaluate our current business and reliably predict our future performance. We may encounter unforeseen expenses, difficulties, complications, delays and other known and unknown factors. If we do not address these risks and difficulties successfully, our business will suffer.

We may need to obtain additional financing to fund our operations, and if we are unable to obtain such financing, we may be unable to complete the development of our drug candidates or achieve profitability.

Our portfolio of drug candidates will require the completion of clinical development, regulatory review, scale up and availability of manufacturing resources, significant marketing efforts and substantial investment before they can provide us with

product sales revenue. Additionally, we are investing in the manufacturing and commercialization of our approved medicines. Our operations have consumed substantial amounts of cash since inception. Our operating activities used $1.3 billion, $1.3 billion and $750.3 million of net cash during the years ended December 31, 2021, 2020 and 2019, respectively, and used $236.6 million and provided $125.1 million of net cash during the three months ended March 31, 2022 and 2021, respectively. We recorded negative net cash flows from operating activities in 2021, 2020 and 2019 primarily due to our net losses of $1.4 billion, $1.6 billion and $950.6 million, respectively. Although we recorded positive net cash flows from operating activities in 2017, primarily due to the upfront fees received from the BMS collaboration, we cannot assure you that we will be able to generate positive cash flows from operating activities in the future.

Our liquidity and financial condition may be materially and adversely affected by the negative net cash flows, and we cannot assure you that we will have sufficient cash from other sources to fund our operations. If we resort to other financing activities to generate additional cash, we will incur financing costs and we cannot guarantee that we will be able to obtain the financing on terms acceptable to us, or at all, and if we raise financing by issuing further equity securities your interest in our company may be diluted. If we have negative operating cash flows in the future, our liquidity and financial condition may be materially and adversely affected.

We expect to continue to spend substantial amounts on drug discovery, advancing the clinical development of our drug candidates, contributing to the global development of a portfolio of Amgen pipeline assets, developing our manufacturing capabilities and securing drug supply, and launching and commercializing our and our collaborators' medicines and any additional drug candidates for which we receive regulatory approval, including building and maintaining a commercial organization to address markets in China, the United States and other countries.

Since September 2017, we have generated revenues from the sale of medicines in China licensed from BMS, and since the fourth quarter of 2019, we have generated revenues from our internally developed medicines. These revenues are not sufficient to support our operations. Although it is difficult to predict our liquidity requirements, based upon our current operating plan, we believe that we have sufficient cash, cash equivalents and short-term investments to meet our projected operating requirements for at least the next 12 months. However, we believe that our existing cash, cash equivalents and short-term investments may not be sufficient to enable us to complete all global development or launch all of our current medicines and drug candidates for the currently anticipated indications and to invest in additional programs. Accordingly, we may require further funding through public or private offerings, debt financing, collaboration and licensing arrangements or other sources. Our forecast of the period of time through which our financial resources will be adequate to support our operations is a forward- looking statement and involves risks and uncertainties, and actual results could vary as a result of a number of factors, including the factors discussed elsewhere in this “Risk Factors” section. We have based this estimate on assumptions that may prove to be wrong, and we could exhaust our available capital resources sooner than we currently expect. Our future funding requirements will depend on many factors, including:

- our ability to successfully market our approved medicines;
- the progress, timing, scope and costs of our clinical trials, including the ability to timely enroll patients in our planned and potential future clinical trials;
- the outcome, timing and cost of regulatory approvals of our drug candidates;
- the number and characteristics of medicines and drug candidates that we may in-license and develop;
- the amount and timing of the development, milestone and royalty payments we receive from our collaborators;
- the cost of filing, prosecuting, defending and enforcing any patent claims and other intellectual property rights;
- selling and marketing costs associated with our medicines and any future drug candidates that may be approved, including the cost and timing of expanding our marketing and sales capabilities;
- the terms and timing of any potential future collaborations, licensing or other arrangements that we may establish;
- cash requirements of any future acquisitions, licensing and/or the development of other medicines and drug candidates;
- the cost and timing of development and completion of commercial-scale internal or outsourced manufacturing activities; and
- our headcount growth and associated costs.

Adequate additional funding may not be available to us on acceptable terms, or at all. If we are unable to raise capital when needed or on attractive terms, we would be forced to delay, reduce or eliminate our research and development programs or commercialization efforts. Our inability to obtain additional funding when we need it could seriously harm our business.

Raising additional capital may cause dilution to our shareholders, restrict our operations or require us to relinquish rights to our technologies or drug candidates.

We may seek additional funding through a combination of equity offerings, debt financings, collaborations and licensing arrangements. To the extent that we raise additional capital through the sale of equity or convertible debt securities, your ownership interest will be diluted, and the terms may include liquidation or other preferences that adversely affect your rights as a holder of our shares. The incurrence of additional indebtedness or the issuance of certain equity securities could result in increased fixed payment obligations and could also result in certain additional restrictive covenants, such as limitations on our ability to incur additional debt or issue additional equity, limitations on our ability to acquire or license intellectual property rights and other operating restrictions that could adversely impact our ability to conduct our business. In addition, issuance of additional equity securities, or the possibility of such issuance, may cause the market price of our shares to decline. In the event that we enter into collaborations or licensing arrangements in order to raise capital, we may be required to accept unfavorable terms, including relinquishing or licensing to a third party on unfavorable terms our rights to technologies or drug candidates that we otherwise would seek to develop or commercialize ourselves or potentially reserve for future potential arrangements when we might be able to achieve more favorable terms.

Fluctuations in exchange rates could result in foreign currency exchange losses and could materially reduce the value of your investment.

We incur portions of our expenses, and derive revenues, in currencies other than the U.S. dollar or Hong Kong dollar, in particular, the RMB, the Euro, and Australian dollar. As a result, we are exposed to foreign currency exchange risk as our results of operations and cash flows are subject to fluctuations in foreign currency exchange rates. We do not regularly engage in hedging transactions to protect against uncertainty in future exchange rates between particular foreign currencies and the U.S. dollar. A decline in the value of the U.S. dollar against currencies in countries in which we operate could have a negative impact on our results of operations. We cannot predict the impact of foreign currency fluctuations, and foreign currency fluctuations in the future may adversely affect our financial condition, results of operations, and cash flows.

The value of the RMB against the U.S. dollar and other currencies may fluctuate and is affected by, among other things, changes in political and economic conditions and the foreign exchange policy proposed or adopted by the PRC, Australia and other governments. It is difficult to predict how market forces or PRC, Australia, other governments outside the U.S. and U.S. government policies may impact the exchange rate of RMB and the U.S. dollar or any other currencies in the future. There remains significant international pressure on the China to adopt a more flexible currency policy, including from the U.S. government, which has threatened to label China as a “currency manipulator,” which could result in greater fluctuation of the RMB against the U.S. dollar.

Substantially all of our revenues are denominated in U.S. dollars and RMB, our costs are denominated in U.S. dollars, Australian dollars and RMB, and a large portion of our financial assets and a significant portion of our debt is denominated in U.S. dollars and RMB. To the extent that we need to convert U.S. dollars into RMB for our operations, appreciation of the RMB against the U.S. dollar would have an adverse effect on the RMB amount we would receive. Conversely, if we decide to convert RMB into U.S. dollars for the purpose of making payments for dividends or for other business purposes, appreciation of the U.S. dollar against the RMB would have a negative effect on the U.S. dollar amount we would receive.

In addition, there are limited instruments available for us to reduce our foreign currency risk exposure at reasonable costs. Furthermore, we are also currently required to obtain the Chinese government approval before converting significant sums of foreign currencies into RMB. All of these factors could materially and adversely affect our business, financial condition, results of operations, and prospects, and could reduce the value of, and any dividends payable on, our shares in foreign currency terms.

****Our business, profitability and liquidity may be adversely affected by deterioration in the credit quality of, or defaults by, our distributors and customers, and an impairment in the carrying value of our short-term investments could negatively affect our consolidated results of operations.***

We are exposed to the risk that our distributors and customers may default on their obligations to us as a result of bankruptcy, lack of liquidity, operational failure or other reasons. As we continue to expand our business, the amount and duration of our credit exposure will be expected to increase, as will the breadth of the entities to which we have credit exposure. Although we regularly review our credit exposure to specific distributors and customers that we believe may present credit concerns, default risks may arise from events or circumstances that are difficult to detect or foresee.

Also, the carrying amounts of cash and cash equivalents, restricted cash and short-term investments represent the maximum amount of loss due to credit risk. We had cash and cash equivalents of $4.3 billion, $4.4 billion and $1.4 billion, restricted cash of $7.3 million, $7.2 million and $8.1 million and short-term investments of $1.9 billion, $2.2 billion and $3.3 billion as of March 31, 2022, December 31, 2021 and 2020, respectively, most of which are deposited in financial institutions outside of China. As required by the PRC securities laws, the net proceeds from the STAR Offering must be used in strict compliance with the planned uses as disclosed in the PRC prospectus for the STAR Offering as well as our proceeds management policy for the STAR Offering approved by our board of directors. Although our cash and cash equivalents in China are deposited with various major reputable financial institutions, the deposits placed with these financial institutions are not protected by statutory or commercial insurance. In the event of bankruptcy of one of these financial institutions, we may be unlikely to claim our deposits back in full.

As of March 31, 2022 and December 31, 2021, our short-term investments consisted of U.S. Treasury securities. Although we believe that the U.S. Treasury securities are of high credit quality and continually monitor the credit worthiness of these institutions, concerns about, or a default by, one institution in the U.S. market, could lead to significant liquidity problems, losses or defaults by other institutions, which in turn could adversely affect us.

Risks Related to Our Intellectual Property

If we are unable to obtain and maintain patent protection for our medicines and drug candidates through intellectual property rights, or if the scope of such intellectual property rights is not sufficiently broad, third parties may compete against us.

Our success depends in large part on our ability to protect our medicines, drug candidates and proprietary technology from competition by obtaining, maintaining and enforcing our intellectual property rights, including patent rights. We seek to protect the medicines, drug candidates and technology that we consider commercially important by filing patent applications in the United States, the PRC, Europe and other territories, relying on trade secrets or pharmaceutical regulatory protection or employing a combination of these methods. This process is expensive and time-consuming, and we may not be able to file, prosecute, maintain, enforce or license all necessary or desirable patents and/or patent applications at a reasonable cost or in a timely manner. As a result, we may not be able to prevent competitors from developing and commercializing competitive drugs in all such fields and territories.

Patents may be invalidated and patent applications may not be granted for a number of reasons, including known or unknown prior art, deficiencies in the patent applications or the lack of novelty of the underlying invention or technology. It is also possible that we will fail to identify patentable aspects of our research and development output in time to obtain patent protection. Although we enter into non-disclosure and confidentiality agreements with parties who have access to confidential or patentable aspects of our research and development output, such as our employees, corporate collaborators, outside scientific collaborators, contract manufacturers, consultants, advisors and any other third parties, any of these parties may breach such agreements and disclose such output before a patent application is filed, thereby jeopardizing our ability to seek patent protection. In addition, publications of discoveries in the scientific literature often lag behind the actual discoveries, and patent applications in the United States and other jurisdictions are typically not published until 18 months after filing, or in some cases, not at all. Therefore, we cannot be certain that we were the first to make the inventions claimed in our patents or pending patent applications or that we were the first to file for patent protection of such inventions. Furthermore, the PRC and the United States have adopted the “first-to-file” system under which whoever first files a patent application will be awarded the patent if all other patentability requirements are met. Under the first-to-file system, third parties may be granted a patent relating to a technology which we invented.

In addition, under the PRC Patent Law, any organization or individual that applies for a patent in a foreign country for an invention or utility model accomplished in China is required to report to the National Intellectual Property Administration, or NIPA, for security examination. Otherwise, if an application is later filed in China, the patent right will not be granted.

The coverage claimed in a patent application can be significantly reduced before the patent is issued, and its scope can be reinterpreted after issuance. Even if patent applications we license or own currently or in the future issue as patents, they may not issue in a form that will provide us with any meaningful protection, prevent competitors or other third parties from competing with us, or otherwise provide us with any competitive advantage. In addition, the patent position of biotechnology and pharmaceutical companies generally is highly uncertain, involves complex legal and factual questions, and has been the subject of much litigation in recent years. As a result, the issuance, scope, validity, enforceability and commercial value of our patent rights are highly uncertain.

The issuance of a patent is not conclusive as to its inventorship, scope, validity or enforceability, and our patents may be challenged in the courts or patent offices in the United States, PRC and other countries. We may be subject to a third-party preissuance submission of prior art to the United States Patent and Trademark Office (the USPTO) or become involved in

opposition, derivation, revocation, re-examination, post-grant and inter partes review, or interference proceedings or similar proceedings in foreign jurisdictions challenging our patent rights or the patent rights of others. An adverse determination in any such submission, proceeding or litigation could reduce the scope of, or invalidate, our patent rights, allow third parties to commercialize our medicines or drug candidates and compete directly with us without payment to us, or result in our inability to manufacture or commercialize medicines or drug candidates without infringing, misappropriating or otherwise violating third-party patent rights. Moreover, we may have to participate in interference proceedings declared by the USPTO to determine priority of invention or in post-grant challenge proceedings, such as oppositions in a foreign patent office, that challenge the priority of our invention or other features of patentability of our patents and patent applications. Such challenges may result in loss of patent rights, loss of exclusivity, or in patent claims being narrowed, invalidated, or held unenforceable, which could limit our ability to stop others from using or commercializing similar or identical technology and products, or limit the duration of the patent protection of our technology, medicines, and drug candidates. Such proceedings also may result in substantial costs and require significant time from our scientists and management, even if the eventual outcome is favorable to us. Consequently, we do not know whether any of our medicines or drug candidates will be protectable or remain protected by valid and enforceable patents. Our competitors or other third parties may be able to circumvent our patents by developing similar or alternative technologies or products in a non-infringing manner.

Furthermore, although various extensions may be available, the life of a patent and the protection it affords, is limited. For example, the approved cancer therapies we have licensed from BMS in China face competition from generic medications, and we may face similar competition for our approved medicines even if we successfully obtain patent protection. Manufacturers of generic drugs may challenge the scope, validity or enforceability of our patents, and we may not be successful in enforcing or defending those intellectual property rights and, as a result, may not be able to develop or market the relevant product exclusively, which would have a material adverse effect on any potential sales of that product. The issued patents and pending patent applications, if issued, for our medicines and drug candidates are expected to expire on various dates as described in “Part I – Item 1 – Business – Intellectual Property” of our Annual Report. Upon the expiration of our issued patents or patents that may issue from our pending patent applications, we will not be able to assert such patent rights against potential competitors and our business and results of operations may be adversely affected.

Given the amount of time required for the development, testing and regulatory review of new drug candidates, patents protecting such drug candidates might expire before or shortly after such drug candidates are commercialized. As a result, our patents and patent applications may not provide us with sufficient rights to exclude others from commercializing products similar or identical to ours. Moreover, some of our patents and patent applications are, and may in the future be, co-owned with or licensed from third parties. If we are unable to obtain an exclusive license to any such third-party co-owners’ interest in such patents or patent applications, such co-owners may be able to license their rights to other third parties, including our competitors, and our competitors could market competing products and technology. In addition, we may need the cooperation of any such co-owners or the licensors of our patents in order to enforce such patents against third parties, and such cooperation may not be provided to us. Any of the foregoing could have a material adverse effect on our competitive position, business, financial conditions, results of operations, and prospects.

We may not be able to protect our intellectual property rights throughout the world. If we fail to adequately protect our intellectual property rights, our competitive position could be impaired and our business could be materially harmed.

Filing, prosecuting, maintaining and defending patents on drugs or drug candidates in all countries throughout the world could be prohibitively expensive for us, and our intellectual property rights in some countries can have a different scope and strength than in the United States. In addition, the laws of certain countries do not protect intellectual property rights to the same extent as U.S. laws do. Consequently, we may not be able to prevent third parties from practicing our inventions in all countries outside the United States, or from selling or importing drugs made using our inventions in and into the United States or other jurisdictions. Competitors may use our technologies in jurisdictions where we have not obtained patent protection to develop their own drugs and further, may export otherwise infringing drugs to non-U.S. jurisdictions where we have patent protection, but where enforcement rights are not as strong as those in the United States. These drugs may compete with our medicines and drug candidates and our patent rights or other intellectual property rights may not be effective or adequate to prevent them from competing. In addition, we may not be able to enforce patents that we in-license from third parties, who may delay or decline to enforce patents in the licensed territory.

We currently hold issued trademark registrations and have trademark applications pending, any of which may be the subject of a governmental or third-party objection, which could prevent the maintenance or issuance of the same. If we are unsuccessful in obtaining trademark protection for our primary brands, we may be required to change our brand names, which could materially adversely affect our business. Moreover, as our products mature, our reliance on our trademarks to differentiate us from our competitors will increase, and as a result, if we are unable to prevent third parties from adopting, registering or using trademarks and trade dress that infringe, dilute or otherwise violate our trademark rights, our business could be materially adversely affected.

Many companies have encountered significant problems in protecting and defending intellectual property rights in certain jurisdictions, including China. The legal systems of some countries do not favor the enforcement of patents, trade secrets and other intellectual property, particularly those relating to biopharmaceutical products, which could make it difficult in those jurisdictions for us to stop the infringement or misappropriation of our patents or other intellectual property rights, or the marketing of competing drugs in violation of our proprietary rights.

We may not prevail in any lawsuits that we initiate and the damages or other remedies awarded, if any, may not be commercially meaningful. Accordingly, our efforts to enforce our intellectual property rights around the world may be inadequate to obtain a significant commercial advantage from the intellectual property that we develop.

We may become involved in lawsuits to protect or enforce our intellectual property, which could be expensive, time consuming and unsuccessful. Our patent rights relating to our medicines and drug candidates could be found invalid or unenforceable if challenged in court or before government patent authorities.

Competitors may infringe our patent rights or misappropriate or otherwise violate our intellectual property rights. To counter infringement or unauthorized use, litigation may be necessary in the future to enforce or defend our intellectual property rights, to protect our trade secrets or to determine the validity and scope of our own intellectual property rights or the proprietary rights of others. This can be expensive and time consuming. Any claims that we assert against perceived infringers could also provoke these parties to assert counterclaims against us challenging the validity or enforceability of our patents or alleging that we infringe their intellectual property rights.

Many of our current and potential competitors have the ability to dedicate substantially greater resources to enforce and/or defend their intellectual property rights than we can. Accordingly, despite our efforts, we may not be able to prevent third parties from infringing upon or misappropriating our intellectual property. An adverse result in any litigation proceeding could put our patent, as well as any patents that may issue in the future from our pending patent applications, at risk of being invalidated, held unenforceable or interpreted narrowly. Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation, there is a risk that some of our confidential information could be compromised by disclosure during this type of litigation.

In patent litigation in the United States, defendant counterclaims alleging invalidity or unenforceability are commonplace, and there are numerous grounds upon which a third party can assert invalidity or unenforceability of a patent. Third parties may also raise similar claims before administrative bodies in the United States or abroad, even outside the context of litigation. Such mechanisms include ex parte re-examination, inter partes review, post-grant review, derivation and equivalent proceedings in non-U.S. jurisdictions, such as opposition proceedings. Such proceedings could result in revocation or amendment to our patents in such a way that they no longer cover and protect our medicines or drug candidates. The outcome following legal assertions of invalidity and unenforceability is unpredictable. With respect to the validity of our patents, for example, we cannot be certain that there is no invalidating prior art of which we, our patent counsel, and the patent examiner were unaware during prosecution. If a defendant were to prevail on a legal assertion of invalidity and/or unenforceability, we would lose at least part, and perhaps all, of the patent protection on our medicines or drug candidates. Such a loss of patent protection could have a material adverse impact on our business.

We may not be able to prevent misappropriation of our trade secrets or confidential information, particularly in countries where the laws may not protect those rights as fully as in the United States.

If we are sued for infringing intellectual property rights of third parties, such litigation could be costly and time consuming and could prevent or delay us from developing or commercializing our medicines or drug candidates.

Our commercial success depends in part on our avoiding infringement of the valid patents and other intellectual property rights of third parties. We are aware of numerous issued patents and pending patent applications belonging to third parties that exist in fields of our medicines and drug candidates. There may also be third-party patents or patent applications of which we are currently unaware, and given the dynamic area in which we operate, additional patents are likely to issue that relate to aspects of our business. There is a substantial amount of litigation and other claims and proceedings involving patent and other intellectual property rights in the biotechnology and pharmaceutical industries generally. As the biotechnology and pharmaceutical industries expand and more patents are issued, the risk increases that our medicines and drug candidates may give rise to claims of infringement of the patent rights of others.

Third parties may assert that we are using technology in violation of their patent or other proprietary rights. Defense of these claims, regardless of their merit, could involve substantial litigation expense and divert our technical personnel, management personnel, or both from their normal responsibilities. Even in the absence of litigation, we may seek to obtain licenses from third parties to avoid the risks of litigation, and if a license is available, it could impose costly royalty and other fees and expenses on us.

If third parties bring successful claims against us for infringement of their intellectual property rights, we may be subject to injunctive or other equitable relief, which could prevent us from developing and commercializing one or more of our medicines and drug candidates. In the event of a successful claim against us of infringement or misappropriation, or a settlement by us of any such claims, we may have to pay substantial damages, including treble damages and attorneys' fees in the case of willful infringement, pay royalties or redesign our infringing medicines and drug candidates, which may be impossible or require substantial time and cost. In the event of an adverse result in any such litigation, or even in the absence of litigation, we may need to obtain licenses from third parties to advance our research or allow commercialization of our medicines or drug candidates. Any such license might not be available on reasonable terms or at all. In the event that we are unable to obtain such a license, we would be unable to further develop and commercialize one or more of our medicines and drug candidates, which could harm our business significantly. We may also elect to enter into license agreements in order to settle patent infringement claims or to resolve disputes prior to litigation, and any such license agreements may require us to pay royalties and other fees that could significantly harm our business.

We are aware of patents in the U.S. and some other jurisdictions with claims covering certain antibodies that are relevant to tislelizumab for which patents are expected to expire in 2023 or 2024; complexes of irreversible BTK inhibitors that are relevant to BRUKINSA® for which the patent is expected to expire in 2027; the use of PARP inhibitors to treat certain cancers that are relevant to pamiparib for which patents are expected to expire between 2027 and 2031; and the use of TIGIT antagonist in combination with PD-1 binding antagonist to treat cancers that are relevant to the use of ociperlimab in combination with tislelizumab for which patents are expected to expire in 2034. Although we believe that the relevant claims of these patents would likely be held invalid, we can provide no assurance that a court or an administrative agency would agree with our assessment. If the validity of the relevant claims of one or more of these patents were to be upheld upon a validity challenge, and our related medicine was approved for sale in the United States before the expiration of the relevant patents, we would need a license to commercialize the medicine in the United States before the expiration of the relevant patents. In addition, depending upon the circumstances, we may need licenses for jurisdictions outside of the United States where we wish to commercialize a particular medicine before the expiration of corresponding patents covering that medicine. In such cases, we can provide no assurance that we would be able to obtain a license or licenses on commercially reasonable terms or at all, which could materially and adversely affect our business.

Even if litigation or other proceedings are resolved in our favor, there could be public announcements of the results of hearings, motions or other interim proceedings or developments, and if securities analysts or investors perceive these results to be negative, it could have a substantial adverse effect on the market price of our shares. Such litigation or proceedings could substantially increase our operating losses and reduce the resources available for development activities or any future sales, marketing or distribution activities. We may not have sufficient financial or other resources to adequately conduct such litigation or proceedings. Some of our competitors may be able to sustain the costs of such litigation or proceedings more effectively than we can because of their greater financial resources. Uncertainties resulting from the initiation and continuation of patent litigation or other proceedings could have a material adverse effect on our ability to compete in the marketplace.

Obtaining and maintaining our patent protection depends on compliance with various procedural, document submission, fee payment, and other requirements imposed by governmental patent agencies, and our patent protection could be reduced or eliminated for noncompliance with these requirements.

Periodic maintenance fees on any issued patent are due to be paid to the USPTO and other patent agencies in several stages over the lifetime of the patent. The USPTO and other patent agencies require compliance with a number of procedural, documentary, fee payment, and other similar provisions during the patent application process. Although an inadvertent lapse can in many cases be cured by payment of a late fee or by other means in accordance with the applicable rules, there are situations in which noncompliance can result in abandonment or lapse of the patent or patent application, resulting in partial or complete loss of patent rights in the relevant jurisdiction. Noncompliance events that could result in abandonment or lapse of a patent or patent application include failure to respond to official actions within prescribed time limits, non-payment of fees, and failure to properly legalize and submit formal documents. In any such event, our competitors might be able to enter the market, which would have a material adverse effect on our business.

If we do not obtain patent term extension and regulatory exclusivity for our medicines, our business may be materially harmed.

Depending upon the timing, duration and specifics of FDA marketing approval of our medicines and drug candidates, one or more of our U.S. patents may be eligible for limited patent term extension under the Hatch-Waxman law. However, we may not be granted an extension because of, for example, failing to exercise due diligence during the testing phase or regulatory review process, failing to apply within applicable deadlines, failing to apply prior to expiration of relevant patents, or otherwise failing to satisfy applicable requirements. Moreover, the applicable time period or the scope of patent protection afforded could be less than we request. In addition, although the Amended PRC Patent Law, effective on June 1, 2021, includes patent term

extension, the patent term extension provision of the law is unclear and/or remains subject to the approval of implementing regulations that are still in draft form or have not yet been proposed, leading to uncertainty about its scope and implementation. As a result, the patents we have in the PRC are not yet eligible to be extended for patent term lost during clinical trials and the regulatory review process. If we are unable to obtain patent term extension or term of any such extension is less than we request, our competitors may obtain approval of competing products following our patent expiration, and our business, financial condition, results of operations, and prospects could be materially harmed.

Changes in patent law could diminish the value of patents in general, thereby impairing our ability to protect our medicines or drug candidates.

The laws and regulations governing patents could change in unpredictable ways that would weaken our ability to obtain new patents or to enforce our existing patents and patents that we might obtain in the future. There could be changes in the laws of foreign jurisdictions that may impact the value of our patent rights or our other intellectual property rights.

If we are unable to protect the confidentiality of our trade secrets, our business and competitive position would be harmed. We may be subject to claims that our employees have wrongfully used or disclosed alleged trade secrets of their former employers.

In addition to our issued patent and pending patent applications, we rely on trade secrets, including unpatented know-how, technology and other proprietary information, to maintain our competitive position and to protect our medicines and drug candidates. We seek to protect these trade secrets, in part, by entering into non-disclosure and confidentiality agreements with parties that have access to them, such as our employees, corporate collaborators, outside scientific collaborators, sponsored researchers, contract manufacturers, consultants, advisors and other third parties. We also enter into confidentiality and invention or patent assignment agreements with our employees and consultants. However, any of these parties may breach such agreements and disclose our proprietary information, and we may not be able to obtain adequate remedies for such breaches. Enforcing a claim that a party illegally disclosed or misappropriated a trade secret can be difficult, expensive and time- consuming, and the outcome is unpredictable. If any of our trade secrets were to be lawfully obtained or independently developed by a competitor, we would have no right to prevent them from using that technology or information to compete with us and our competitive position would be harmed.

Furthermore, many of our employees, including our senior management, were previously employed at other biotechnology or pharmaceutical companies, including our competitors or potential competitors. Some of these employees, including members of our senior management, executed proprietary rights, non-disclosure and in some cases non-competition agreements in connection with their previous employment. Although we try to ensure that our employees do not use the proprietary information or know- how of others in their work for us, we may be subject to claims that we or these employees have used or disclosed intellectual property, including trade secrets or other proprietary information, of any such employee's former employer. If we fail in defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights or personnel. Even if we are successful in defending against such claims, litigation could result in substantial costs and be a distraction to management.

In addition, while we typically require our employees, consultants and contractors who may be involved in the development of intellectual property to execute agreements assigning such intellectual property to us, we may be unsuccessful in executing such an agreement with each party who in fact develops intellectual property that we regard as our own, which may result in claims by or against us related to the ownership of such intellectual property. If we fail in prosecuting or defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights. Even if we are successful in prosecuting or defending against such claims, litigation could result in substantial costs and be a distraction to our management and scientific personnel.

If we fail to comply with our obligations in the agreements under which we license intellectual property rights from third parties or otherwise experience disruptions to our business relationships with our licensors, we could be required to pay monetary damages or could lose license rights that are important to our business.

We have entered into license agreements with third parties providing us with rights under various third-party patents and patent applications. These license agreements impose diligence, development or commercialization timelines and milestone payment, royalty, insurance and other obligations on us. If we fail to comply with our obligations under our current or future license agreements, our counterparties may have the right to terminate these agreements, in which event we might not be able to develop, manufacture or market any medicine or drug candidate that is covered by the licenses provided for under these agreements or we may face claims for monetary damages or other penalties under these agreements. Such an occurrence could diminish the value of these products and our company. Termination of the licenses provided for under these agreements or reduction or elimination of our rights under these agreements may result in our having to negotiate new or reinstated agreements with less favorable terms, or cause us to lose our rights under these agreements.

Risks Related to Our Reliance on Third Parties

If we fail to maintain an effective distribution channel for our medicines, our business and sales could be adversely affected.

We rely on third-party distributors to distribute our approved medicines. For example, we rely on sole third-party distributors to distribute some of our in-licensed approved medicines in China and multiple third-party distributors for the distribution of our internally developed medicines. We also expect to rely on third-party distributors to distribute our other internally developed and in-licensed medicines, if approved. Our ability to maintain and grow our business will depend on our ability to maintain an effective distribution channel that ensures the timely delivery of our medicines. However, we have relatively limited control over our distributors, who may fail to distribute our medicines in the manner we contemplate. For example, while we have long-standing business relationship with our sole distributor for the in-licensed products from BMS, the agreement we entered into with our sole distributor can be terminated by either party upon six months' written notice. If price controls or other factors substantially reduce the margins our distributors can obtain through the resale of our medicines to hospitals, medical institutions and sub-distributors, they may terminate their relationship with us. While we believe alternative distributors are readily available, there is a risk that, if the distribution of our medicines is interrupted, our sales volumes and business prospects could be adversely affected.

We rely on third parties to manufacture some of our commercial and clinical drug supplies. Our business could be harmed if those third parties fail to provide us with sufficient quantities of product or fail to do so at acceptable quality levels or prices.

We currently have manufacturing facilities that are used for clinical-scale and commercial-scale manufacturing and processing, we plan to build a commercial-stage biologics manufacturing and clinical R&D center in New Jersey, and we are also constructing a new small molecule manufacturing campus in Suzhou, China. However, we continue to rely on outside vendors to manufacture supplies and process some of our medicines and drug candidates. For example, we have entered into a commercial supply agreement for tislelizumab with Boehringer Ingelheim Biopharmaceuticals (China) Ltd. (Boehringer Ingelheim) and entered into a commercial supply agreement for BRUKINSA® with Catalent Pharma Solutions, LLC (Catalent). In addition, we generally rely on our collaboration partners and their third-party manufacturers for supply of in-licensed medicines in China. We have limited experience in manufacturing or processing our medicines and drug candidates on a commercial scale. Additionally, we have limited experience in managing the manufacturing process, and our process may be more difficult or expensive than the approaches currently in use.

Although we intend to use our own manufacturing facilities, we also intend to use third parties as part of our manufacturing process and for the clinical and commercial supply of our medicines and drug candidates. Our anticipated reliance on a limited number of third-party manufacturers exposes us to the following risks:

- we may be unable to identify manufacturers on acceptable terms or at all because the number of potential manufacturers is limited and regulatory authorities must evaluate and/or approve any manufacturers as part of their regulatory oversight of our medicines and drug candidates. This evaluation would require new testing and GMP-compliance inspections by regulatory authorities;
- our manufacturers may have little or no experience with manufacturing our medicines and drug candidates, and therefore may require a significant amount of support from us in order to implement and maintain the infrastructure and processes required to manufacture our medicines and drug candidates;
- our third-party manufacturers might be unable to timely manufacture our medicines and drug candidates or produce the quantity and quality required to meet our clinical and commercial needs, if any. For example, we encountered supply disruptions of ABRAXANE® in 2018 and 2019, and in 2020 the NMPA suspended the importation, sales and use of ABRAXANE® in China supplied to us by BMS, as further described below;
- manufacturers are subject to ongoing periodic unannounced inspection by the FDA and corresponding state agencies in the United States to ensure strict compliance with GMPs and other government regulations and by other comparable regulatory authorities for corresponding non-U.S. requirements. We do not have control over third-party manufacturers' compliance with these regulations and requirements. For example, in 2020, based on inspection findings at BMS's contract manufacturing facility in the United States, the NMPA suspended the importation, sales and use of ABRAXANE® in China supplied to us by BMS, as further described below;
- we may not own, or may have to share, the intellectual property rights to some of the technology used and improvements made by our third-party manufacturers in the manufacturing process for our medicines and drug candidates;

- raw materials and components used in the manufacturing process, particularly those for which we have no other source or supplier, may not be available or may not be suitable or acceptable for use due to material or component defects; and
- our contract manufacturers and drug component suppliers may be subject to disruptions in their business, including unexpected demand for or shortage of raw materials or components, cyber-attacks on supplier systems, labor disputes or shortage and inclement weather, as well as natural or man-made disasters or pandemics.

Each of these risks could delay or prevent the completion of our clinical trials or the approval of any of our drug candidates, result in higher costs or adversely impact development of our drug candidates or commercialization of our medicines. In addition, we will rely on third parties to perform certain specification tests on our medicines and drug candidates prior to delivery to patients. If these tests are not appropriately done and test data are not reliable, patients could be put at risk of serious harm and regulatory authorities could place significant restrictions on our company until deficiencies are remedied.

For example, on March 25, 2020, the NMPA suspended the importation, sales and use of ABRAXANE® in China supplied to us by BMS, and the drug was subsequently recalled by BMS and is not currently available for sale in China. This suspension was based on inspection findings at BMS's contract manufacturing facility in the United States. Additionally, in October 2021, BMS provided 180-days' notice to us, which we dispute, purporting to terminate our license to market ABRAXANE® in China. We have not had any sales of ABRAXANE® since the suspension and do not expect future revenue from ABRAXANE®. We have initiated an arbitration proceeding against BMS asserting that it has breached and continues to breach the terms and conditions of the license and supply agreement. For additional information, please see the section of this report titled "Part II – Item 1 – Legal Proceedings".

Currently, the raw materials for our manufacturing activities are supplied by multiple source suppliers, although portions of our supply chain may rely on sole source suppliers. We have agreements for the supply of drug materials with manufacturers or suppliers that we believe have sufficient capacity to meet our demands. In addition, we believe that adequate alternative sources for such supplies exist. However, there is a risk that, if supplies are interrupted, it would materially harm our business.

Manufacturers of drug and biological products often encounter difficulties in production, particularly in scaling up or out, validating the production process, and assuring high reliability of the manufacturing process (including the absence of contamination). These problems include logistics and shipping, difficulties with production costs and yields, quality control, including stability of the product, product testing, operator error, availability of qualified personnel, as well as compliance with strictly enforced federal, state and non-U.S. regulations. Furthermore, if contaminants are discovered in the supply of our medicines and drug candidates or in the manufacturing facilities, such manufacturing facilities may need to be closed for an extended period of time to investigate and remedy the contamination. We cannot assure you that any stability failures or other issues relating to the manufacture of our medicines and drug candidates will not occur in the future. Additionally, our manufacturers may experience manufacturing difficulties due to resource constraints or as a result of labor disputes or unstable political environments. If our manufacturers were to encounter any of these difficulties, or otherwise fail to comply with their contractual obligations, our ability to provide our medicines for commercial sale and our drug candidates to patients in clinical trials would be jeopardized. Any delay or interruption in the supply of clinical trial supplies could delay the completion of clinical trials, increase the costs associated with maintaining clinical trial programs and, depending upon the period of delay, require us to begin new clinical trials at additional expense or terminate clinical trials completely.

If third-party manufacturers fail to comply with manufacturing regulations, our financial results and financial condition could be adversely affected.

Before a third party can begin commercial manufacture of our medicines, they are subject to regulatory inspections of their manufacturing facilities, processes and quality systems. Due to the complexity of the processes used to manufacture drug and biological products, any potential third-party manufacturer may be unable to initially pass regulatory inspections in a timely or cost-effective manner in order for us to obtain regulatory approval. If contract manufacturers do not pass their inspections by the relevant regulatory authorities, our commercial supply of drug product or substance will be significantly delayed and may result in significant additional costs, including the delay or denial of any marketing application for our drug candidates or disruption in sales. In addition, drug and biological manufacturing facilities are continuously subject to inspection by regulatory authorities, before and after drug approval, and must comply with GMPs. Our or our collaborators' contract manufacturers may encounter difficulties in achieving quality control and quality assurance and may experience shortages in qualified personnel. In addition, contract manufacturers' failure to achieve and maintain high manufacturing standards in accordance with applicable regulatory requirements, or the incidence of manufacturing errors, could result in patient injury, product liability claims, product shortages, product recalls or withdrawals, delays or failures in product testing or delivery, cost overruns or other problems that could seriously harm our business. If a third-party manufacturer with whom we or our collaborators' contract is unable to comply with manufacturing regulations, we may also be subject to fines, unanticipated compliance expenses, recall or

seizure of our drugs, product liability claims, total or partial suspension of production and/or enforcement actions, including injunctions, and criminal or civil prosecution. These possible sanctions could materially adversely affect our financial results and financial condition. On March 25, 2020, the NMPA suspended the importation, sales and use of ABRAXANE® in China supplied to us by BMS, and the drug was subsequently recalled by BMS and is not currently available for sale in China. This suspension was based on inspection findings at BMS's contract manufacturing facility in the United States. Additionally, in October 2021, BMS provided 180-days' notice to us, which we dispute, purporting to terminate our license to market ABRAXANE® in China. We have not had any sales of ABRAXANE® since the suspension and do not expect future revenue from ABRAXANE®. We have initiated an arbitration proceeding against BMS asserting that it has breached and continues to breach the terms and conditions of the license and supply agreement. For additional information, please see the section of this report titled "Part II – Item 1 – Legal Proceedings".

Furthermore, changes in the manufacturing process or procedure, including a change in the location where the product is manufactured or a change of a third-party manufacturer, could require prior review by regulatory authorities and/or approval of the manufacturing process and procedures in accordance with applicable requirements. This review may be costly and time consuming and could delay or prevent the launch of a product or impact commercialization or continuous supply of approved drugs. The new facility will also be subject to pre-approval inspection. In addition, we have to demonstrate that the product made at the new facility is equivalent to the product made at the former facility by physical and chemical methods, which are costly and time consuming. It is also possible that regulatory authorities may require clinical testing as a way to prove equivalency, which would result in additional costs and delay.

We have entered into licensing and collaboration arrangements and may enter into additional collaborations, licensing arrangements, or strategic alliances in the future, and we may not realize the benefits of such arrangements.

We have entered into licensing and collaboration agreements and may enter into additional collaboration, licensing arrangements, or strategic alliances with third parties that we believe will complement or augment our research, development and commercialization efforts. Any of these relationships may require us to incur non-recurring and other charges, increase our near and long-term expenditures, issue securities that dilute our existing shareholders, or disrupt our management and business.

In August 2017, we acquired Celgene's commercial operations in China and an exclusive license to Celgene's (now BMS's) commercial cancer portfolio in China, REVLIMID®, VIDAZA® and ABRAXANE®. On March 25, 2020, the NMPA suspended the importation, sales and use of ABRAXANE® in China supplied to us by BMS, and the drug was subsequently recalled by BMS and is not currently available for sale in China. This suspension was based on inspection findings at BMS's contract manufacturing facility in the United States. Additionally, in October 2021, BMS provided 180-days' notice to us, which we dispute, purporting to terminate our license to market ABRAXANE® in China. We have not had any sales of ABRAXANE® since the suspension and do not expect future revenue from ABRAXANE®. We have initiated an arbitration proceeding against BMS asserting that it has breached and continues to breach the terms and conditions of the license and supply agreement. For additional information, please see the section of this report titled "Part II – Item 1 – Legal Proceedings".

In 2019, we entered into a strategic collaboration with Amgen with respect to its commercial-stage oncology products XGEVA®, BLINCYTO® and KYPROLIS® and a portfolio of clinical- and late-preclinical-stage oncology pipeline products. In January 2021, we entered into a collaboration and license agreement with Novartis Pharma AG (Novartis), granting Novartis rights to develop, manufacture and commercialize our anti-PD-1 antibody tislelizumab in North America, Japan, the EU, and six other European countries. In December 2021, we entered into an option, collaboration and license agreement with Novartis to develop, manufacture and commercialize our investigational TIGIT inhibitor, ociperlimab, in North America, Europe, and Japan.

Our strategic collaborations with Amgen, Novartis and BMS involve numerous risks. We cannot be certain that we will achieve the financial and other benefits that led us to enter into the collaborations. Moreover, we may not achieve the revenue and cost synergies expected from our collaborations for their commercial products in China, and our management's attention may be diverted from our drug discovery and development business. These synergies are inherently uncertain, and are subject to significant business, economic and competitive uncertainties and contingencies, many of which are difficult to predict and are beyond our control. If we achieve the expected benefits, they may not be achieved within the anticipated time frame. Lastly, strategic collaborations can be terminated for various reasons. For example, our strategic collaboration with Celgene for the development and commercialization of tislelizumab, which we entered into in connection with the license agreement in 2017, was terminated in June 2019 in advance of the acquisition of Celgene by BMS, and we received a termination notice in October 2021 to terminate our license agreement for ABRAXANE® in China.

Additionally, from time to time, we may enter into joint ventures with other companies. Establishment of a joint venture involves significant risks and uncertainties, including (i) our ability to cooperate with our strategic partner, (ii) our strategic partner having economic, business, or legal interests or goals that are inconsistent with ours, and (iii) the potential that our

strategic partner may be unable to meet its economic or other obligations, which may require us to fulfill those obligations alone.

We face significant competition in seeking appropriate strategic partners, and the negotiation process is time-consuming and complex. Moreover, we may not be successful in our efforts to establish a strategic collaboration or other alternative arrangements for our medicines and drug candidates because they may be deemed to be at too early of a stage of development for collaborative effort and third parties may not view our medicines and drug candidates as having the requisite potential to demonstrate safety and efficacy or commercial viability. If and when we collaborate with a third party for development and commercialization of a medicine or drug candidate, we can expect to relinquish some or all of the control over the future success of that medicine or drug candidate to the third party. For any medicines or drug candidates that we may seek to in-license from third parties, we may face significant competition from other pharmaceutical or biotechnology companies with greater resources or capabilities than us, and any agreement that we do enter may not result in the anticipated benefits.

Collaborations involving our medicines and drug candidates are subject to numerous risks, which may include the following:

- collaborators have significant discretion in determining the efforts and resources that they will apply to a collaboration;
- collaborators may not pursue development and commercialization of our drug candidates and medicines or may elect not to continue or renew development or commercialization programs based on clinical trial results, changes in their strategic focus due to the acquisition of competitive drugs, availability of funding, or other external factors, such as a business combination that diverts resources or creates competing priorities;
- collaborators may delay clinical trials, provide insufficient funding for a clinical trial, stop a clinical trial, abandon a drug candidate, repeat or conduct new clinical trials, or require a new formulation of a drug candidate for clinical testing;
- collaborators could independently develop, or develop with third parties, drugs that compete directly or indirectly with our medicines or drug candidates;
- a collaborator with marketing and distribution rights to one or more medicines may not commit sufficient resources to their marketing and distribution or may set prices that reduce the profitability of the medicines;
- collaborators may not properly maintain or defend our intellectual property rights or may use our intellectual property or proprietary information in a way that gives rise to actual or threatened litigation that could jeopardize or invalidate our intellectual property or proprietary information or expose us to potential liability;
- disputes may arise between us and a collaborator that cause the delay or termination of the research, development or commercialization of our medicines and drug candidates, or that result in costly litigation or arbitration that diverts management attention and resources;
- collaborations may be terminated and, if terminated, may result in a need for additional capital to pursue further development or commercialization of the applicable medicines and drug candidates; and
- collaborators may own or co-own intellectual property covering our medicines and drug candidates that results from our collaborating with them, and in such cases, we would not have the exclusive right to commercialize such intellectual property.

As a result, we may not be able to realize the benefit of current or future collaborations, licensing arrangements or strategic alliances for our medicines and drug candidates if we are unable to successfully integrate such products with our existing operations and company culture, which could delay our timelines or otherwise adversely affect our business. We also cannot be certain that, following a strategic transaction or license, we will be able to fulfill all of our contractual obligations in a timely manner or achieve the revenue, specific net income or other goals that justify such transaction. If we are unable to reach agreements with suitable collaborators on a timely basis, on acceptable terms, or at all, we may have to curtail the development of a drug candidate, reduce or delay its development program or one or more of our other development programs, delay its potential commercialization or reduce the scope of any sales or marketing activities, or increase our expenditures and undertake development or commercialization activities at our own expense. If we elect to fund and undertake development or commercialization activities on our own, we may need to obtain additional expertise and additional capital, which may not be available to us on acceptable terms or at all. If we fail to enter into collaborations and do not have sufficient funds or expertise to undertake the necessary development and commercialization activities, we may not be able to further develop our medicines and drug candidates or bring them to market and generate product revenue, which would harm our business prospects, financial condition and results of operations.

If we are not able to successfully develop and/or commercialize Amgen's oncology products, the expected benefits of the collaboration will not materialize.

We have a collaboration agreement with Amgen pursuant to which we and Amgen have agreed to collaborate on the commercialization of Amgen's oncology products XGEVA®, BLINCYTO® and KYPROLIS® in China, and the global development and commercialization in China of a portfolio of Amgen's clinical- and late-preclinical-stage pipeline products. Amgen has paused or stopped development of some of the pipeline assets due to portfolio prioritization, and the parties expect that the development plan for the pipeline assets will continue to evolve over time. Additionally, Amgen has advised us that its applications to the Human Genetic Resources Administration of China (HGRAC) to obtain approval to conduct clinical studies in China for the pipeline assets, including its application for LUMAKRAS® (sotorasib), a first-in-class KRAS G12C inhibitor, are currently delayed. Approval from the HGRAC is required for the initiation of clinical trials involving the collection of human genetic materials in China. We do not expect this to affect the conduct of the clinical trials in China for our drug candidates, other than assets that are part of the collaboration. The Amgen collaboration involves numerous risks, including unanticipated costs and diversion of our management's attention from our other drug discovery and development business. There can be no assurance that we will be able to successfully develop and commercialize Amgen's oncology products in China, which could disrupt our business and harm our financial results.

We rely on third parties to conduct our preclinical studies and clinical trials. If these third parties do not successfully carry out their contractual duties or meet expected deadlines, we may not be able to obtain regulatory approval for or commercialize our medicines and drug candidates and our business could be substantially harmed.

We have relied upon and plan to continue to rely to some extent upon third-party CROs to monitor and manage data and provide other services for our ongoing preclinical and clinical programs. We rely on these parties for execution of our preclinical studies and clinical trials, and control only certain aspects of their activities. Nevertheless, we are responsible for ensuring that each of our studies is conducted in accordance with the applicable protocol, legal and regulatory requirements and scientific standards, and our reliance on the CROs does not relieve us of our regulatory responsibilities. We, our CROs for our clinical programs and our clinical investigators are required to comply with GCPs, which are regulations and guidelines enforced by regulatory authorities for all of our drug candidates in clinical development. If we or any of our CROs or clinical investigators fail to comply with applicable GCPs and other regulatory requirements, the clinical data generated in our clinical trials may be deemed unreliable and regulatory authorities may require us to perform additional clinical trials before approving our marketing applications. In addition, our pivotal clinical trials must be conducted with drug product produced under GMP regulations. Our failure to comply with these regulations may require us to repeat clinical trials, which would delay the regulatory approval process. We could also be subject to government investigations and enforcement actions.

If any of our relationships with these third-party CROs terminate, we may not be able to enter into arrangements with alternative CROs or to do so on commercially reasonable terms. In addition, our CROs are not our employees, and except for remedies available to us under our agreements with such CROs, we cannot control whether or not they devote sufficient time and resources to our ongoing clinical and nonclinical programs. If CROs do not successfully carry out their contractual duties or obligations or meet expected deadlines, if they need to be replaced or if the quality or accuracy of the clinical data they or our clinical investigators obtain is compromised due to the failure to adhere to our clinical protocols, regulatory requirements or for other reasons, our clinical trials may be extended, delayed or terminated and we may not be able to obtain regulatory approval for or successfully commercialize our drug candidates. As a result, our results of operations and the commercial prospects for our drug candidates would be harmed, our costs could increase and our ability to generate revenues could be delayed.

Switching or adding additional CROs involves additional cost and delays, which can materially influence our ability to meet our desired clinical development timelines. There can be no assurance that we will not encounter similar challenges or delays in the future or that these delays or challenges will not have a material adverse effect on our business, financial condition and prospects.

Risks Related to Our Industry, Business and Operations

****We have significantly increased and expect to continue to increase our research, development, manufacturing, and commercial capabilities, and we may experience difficulties in managing our growth.***

At the beginning of 2021, we had approximately 5,100 employees, and we ended the year with approximately 8,000 employees, an increase of 57%. As of March 31, 2022, we had over 8,300 employees. We expect to continue our growth. Most of our employees are full-time. As our research, development, manufacturing and commercialization plans and strategies evolve, we must add a significant number of additional managerial, operational, drug development, clinical, regulatory affairs, manufacturing, sales, marketing, financial and other personnel in the United States, China, Europe and other regions. Our recent growth and any anticipated future growth will impose significant added responsibilities on members of management, including:

- identifying, recruiting, integrating, maintaining, and motivating additional employees;
- managing the growth in our research, clinical operations, commercial, and supporting functions;
- managing our internal development efforts effectively, including the clinical and regulatory review process for our drug candidates, while complying with our contractual obligations to third parties; and
- improving our operational, financial and management controls, reporting systems and procedures.

Our future financial performance and our ability to develop and commercialize our medicines and drug candidates will depend, in part, on our ability to effectively manage our recent growth and any future growth, and our management may also have to divert a disproportionate amount of its attention away from day-to-day activities in order to devote a substantial amount of time to managing these growth activities.

We currently rely, and for the foreseeable future will continue to rely, on certain independent organizations, advisors and consultants to provide certain services. There can be no assurance that the services of these independent organizations, advisors and consultants will continue to be available to us on a timely basis when needed, or that we can find qualified replacements. There can be no assurance that we will be able to manage our existing consultants or find other competent outside contractors and consultants on economically reasonable terms, if at all.

If we are not able to effectively manage our growth and further expand our organization by hiring new employees and expanding our groups of consultants and contractors as needed, we may not be able to successfully implement the tasks necessary to further develop, manufacture and commercialize our medicines and drug candidates and, accordingly, may not achieve our research, development, manufacturing and commercialization goals.

Our future success depends on our ability to retain key executives and to attract, retain and motivate qualified personnel.

Xiaodong Wang, Ph.D., our Co-Founder, Chairman of our scientific advisory board, and director; John V. Oyler, our Co-Founder, Chief Executive Officer and Chairman of the board of directors; Xiaobin Wu, Ph.D., our President, Chief Operating Officer and General Manager of China; and the other principal members of our management and scientific teams play a critical role in the Company's operation and development. Although we have employment agreements or offer letters with each of our executive officers, these agreements do not prevent our executives from terminating their employment with us at any time. We do not maintain “key person” insurance for any of our executives or other employees. The loss of the services of any of these persons could impede the achievement of our research, development and commercialization objectives.

To induce valuable employees to remain at our company, in addition to salary and cash incentives, we have provided share option, restricted share unit and restricted share grants that vest over time or based on performance conditions. The value to employees of these equity grants that may be significantly affected by movements in our share price that are beyond our control and may be insufficient to counteract more lucrative offers from other companies. Although we have employment agreements or offer letters with our key employees, any of our employees could leave our employment at any time, with or without notice.

Recruiting and retaining qualified scientific, clinical, manufacturing and sales and marketing personnel will also be critical to our success. In addition, we rely on consultants and advisors, including scientific and clinical advisors, to assist us in formulating and executing our discovery, clinical development, manufacturing and commercialization strategy. The loss of the services of our executive officers or other key employees and consultants could impede the achievement of our research, development, manufacturing and commercialization objectives and seriously harm our ability to successfully implement our business strategy.

Furthermore, replacing executives, key employees or consultants may be difficult and may take an extended period of time because of the limited number of individuals in our industry with the breadth of skills and experience required to successfully develop, gain regulatory approval of and commercialize products. Competition to hire from this limited pool is intense, and we may be unable to hire, train, retain or motivate these key personnel or consultants on acceptable terms, given the competition among numerous pharmaceutical and biotechnology companies for similar personnel.

We also experience competition for the hiring of scientific and clinical personnel from universities and research institutions. Our consultants and advisors may be employed by employers other than us and may have commitments under consulting or advisory contracts with other entities that may limit their availability to us. If we are unable to continue to attract and retain high quality personnel, our ability to pursue our growth strategy will be limited.

Our business is subject to complex and evolving industry-specific laws and regulations regarding the collection and transfer of personal data. These laws and regulations can be complex and stringent, and many are subject to change and uncertain interpretation, which could result in claims, changes to our data and other business practices, significant penalties, increased cost of operations, or otherwise adversely impact our business.

Regulatory authorities around the world have implemented industry-specific laws and regulations that affect the collection and transfer of personal data. For example, in China, the Regulation on the Administration of Human Genetic Resources promulgated by the State Council (the "HGR Regulation"), which became effective in 2019, applies to activities that involve sampling, biobanking, use of HGR materials and associated data, in China, and provision of such to foreign parties. The HGR Regulation prohibits both onshore or offshore entities established or actually controlled by foreign entities and individuals from sampling or biobanking any China HGR in China and require approval for the sampling of certain HGR and biobanking of all HGR by Chinese parties. Approval for any export or cross-border transfer of the HGR material is required, and transfer of China HGR data by Chinese parties to foreign parties or entities established or actually controlled by them also requires the Chinese parties to file, before the transfer, a copy of the data to the HGR administration for record. The HGR Regulation also requires that foreign parties ensure the full participation of Chinese parties in international collaborations and all records and data must be shared with the Chinese parties. For information about applications under the HGR Regulation for clinical studies in China that are part of the Amgen- BeiGene Collaboration, see the risk factor entitled "If we are not able to successfully develop and/or commercialize Amgen's oncology products, the expected benefits of the collaboration will not materialize."

If the Chinese parties fail to comply with data protection laws, regulations and practice standards, and our research data is obtained by unauthorized persons, used or disclosed inappropriately or destroyed, it could result in a loss of our confidential information and subject us to litigation and government enforcement actions. It is possible that these laws may be interpreted and applied in a manner that is inconsistent with our or our collaborators' practices, potentially resulting in suspension of relevant ongoing clinical trials or the initiation of new trials, confiscation of HGR samples and associated data and administrative fines, disgorgement of illegal gains, or temporary or permanent debarment of our or our collaborators' entities and responsible persons from further HGR projects and, consequently, a de-facto ban on the debarred entities from initiating new clinical trials in China. So far, the HGR administration has disclosed a number of HGR violation cases. In one case, the sanctioned party was the Chinese subsidiary of a multinational pharmaceutical company that was found to have illegally transferred certain HGR materials to CROs for conducting certain unapproved research. In addition to a written warning and confiscation of relevant HGR materials, the Chinese subsidiary of the multinational pharmaceutical company was requested by the HGR administration to take rectification measures and at the same time banned from submitting any HGR applications until the HGR administration was satisfied with the rectification results, which rendered it unable to initiate new clinical trials in China until the ban was lifted. In another case, a public hospital was found to have illegally transferred certain HGR data to a university in Europe, and that hospital was eventually subject to the same ban.

To further tighten the control of China HGR, the government adopted amendments to the criminal code, which became effective on March 1, 2021, which criminalize the illegal collection of China HGR, the illegal transfer of China HGR materials outside of China, and the transfer of China HGR data to foreign parties or entities established or actually controlled by them without going through security review and assessment. An individual who is convicted of any of these violations may be subject to public surveillance, criminal detention, a fixed-term imprisonment of up to 7 years, and/or a criminal fine. On April 15, 2021, the Biosecurity Law became effective. The Biosecurity Law establishes an integrated system to regulate biosecurity-related activities in China, including the security regulation of HGR and biological resources. The Biosecurity Law for the first time expressly declares that China has sovereignty over its HGR and further endorsed the HGR Regulation by recognizing the fundamental regulatory principles and systems established by it over the utilization of Chinese HGR by foreign entities in China. Although the Biosecurity Law does not provide any specific new regulatory requirements on HGR, as it is a law adopted by China's highest legislative authority, it gives China's major regulatory authority of HGR, i.e., the Ministry of Science and Technology, significantly more power and discretion to regulate HGR and it is expected that the overall regulatory landscape for Chinese HGR will evolve and become even more rigorous. In addition, the interpretation and application of data protection laws in China and elsewhere are often uncertain and in flux.

We expect that these areas will receive greater and continued attention and scrutiny from regulators and the public going forward, which could increase our compliance costs and subject us to heightened risks and challenges associated with data security and protection. If we are unable to manage these risks, we could become subject to significant penalties, including fines, suspension of business and revocation of required licenses, and our reputation and results of operations could be materially and adversely affected.

We manufacture some of our medicines and intend to manufacture some of our drug candidates, if approved. Delays in completing and receiving regulatory approvals for our manufacturing facilities, or damage to, destruction of or interruption of production at such facilities, could delay our development plans or commercialization efforts.

We currently have manufacturing facilities in Beijing, Guangzhou, and Suzhou, China and plan to build a commercial-stage biologics manufacturing and clinical R&D center in New Jersey, United States. We are also constructing a new small molecule manufacturing campus in Suzhou, China. These facilities may encounter unanticipated delays and expenses due to a number of factors, including regulatory requirements. If construction or expansion, regulatory evaluation and/or approval of our facilities are delayed, we may not be able to manufacture sufficient quantities of our medicines and drug candidates, which would limit our development and commercialization activities and our opportunities for growth. Cost overruns associated with constructing or maintaining our facilities could require us to raise additional funds from other sources. For example, we may not be able to complete the construction and validation of and obtain regulatory approval for the new manufacturing and clinical R&D center in New Jersey, the new manufacturing campus in Suzhou and manufacturing facility expansion in Guangzhou in a timely or economic manner.

In addition to the similar manufacturing risks described in "Risks Related to Our Reliance on Third Parties," our manufacturing facilities are subject to inspection in connection with clinical development and new drug approvals and ongoing, periodic inspection by the FDA, NMPA, EMA or other comparable regulatory agencies to ensure compliance with GMP and other regulatory requirements. Our failure to follow and document our adherence to such GMP regulations or other regulatory requirements may lead to significant delays in the availability of products for clinical or commercial use, may result in the termination of or a hold on a clinical trial, or may delay or prevent filing or approval of marketing applications for our drug candidates or the commercialization of our medicines. We also may encounter problems with the following:

- achieving adequate or clinical-grade materials that meet FDA, NMPA, EMA or other comparable regulatory agency standards or specifications with consistent and acceptable production yield and costs;
- shortages of qualified personnel, raw materials or key contractors; and
- ongoing compliance with GMP regulations and other requirements of the FDA, NMPA, EMA or other comparable regulatory agencies.

Failure to comply with applicable regulations could also result in sanctions being imposed on us, including fines, injunctions, civil penalties, a requirement to suspend or put on hold one or more of our clinical trials, failure of regulatory authorities to grant marketing approval of our drug candidates, delays, suspension or withdrawal of approvals, supply disruptions, license revocation, seizures or recalls of drug candidates or medicines, operating restrictions and criminal prosecutions, any of which could harm our business.

Developing advanced manufacturing techniques and process controls is required to fully utilize our facilities. Advances in manufacturing techniques may render our facilities and equipment inadequate or obsolete.

To supply commercial quantities for our marketed products, produce our medicines in the quantities that we believe will be required to meet anticipated market demand, and to supply clinical drug material to support the continued growth of our clinical programs, we will need to increase, or "scale up," the production process by a significant factor over the initial level of production, which will require substantial additional expenditures and various regulatory approvals and permits. If we are unable to do so, are delayed, or if the cost of this scale up is not economically feasible for us or we cannot find a third-party supplier, we may not be able to produce our medicines in a sufficient quantity to meet future demand.

In addition to the similar manufacturing risks described in "Risks Related to Our Reliance on Third Parties," if our manufacturing facilities or the equipment in them is damaged or destroyed, we may not be able to quickly or inexpensively replace our manufacturing capacity or replace it at all. In the event of a temporary or protracted loss of the facilities or equipment, we might not be able to transfer manufacturing to a third party. Even if we could transfer manufacturing to a third party, the shift would likely be expensive and time-consuming, particularly since the new facility would need to comply with the necessary regulatory requirements and we would need regulatory agency approval before selling any medicines manufactured at that facility. Such an event could delay our clinical trials or reduce our product sales. Any interruption in manufacturing operations at our manufacturing facilities could result in our inability to satisfy the demands of our clinical trials or commercialization. Any disruption that impedes our ability to manufacture our drug candidates or medicines in a timely manner could materially harm our business, financial condition and operating results.

Currently, we maintain insurance coverage against damage to our property, plant and equipment in amounts we believe are reasonable. However, our insurance coverage may not reimburse us, or may not be sufficient to reimburse us, for any expenses

or losses we may suffer. We may be unable to meet our requirements for our drug candidates and medicines if there were a catastrophic event or interruption or failure of our manufacturing facilities or processes.

We incur significant costs as a result of operating as a public company, and our management is required to devote substantial time to compliance requirements, including establishing and maintaining internal controls over financial reporting. We may be exposed to potential risks if we are unable to comply with these requirements.

As a public company listed in the United States, Hong Kong and Shanghai, we are subject to the reporting requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and the listing rules of the Nasdaq Stock Market (Nasdaq), The Stock Exchange of Hong Kong Limited (the HKEx) and the STAR Market of the Shanghai Stock Exchange (the SSE), and incur significant legal, accounting and other expenses to comply with applicable requirements. These rules impose various requirements on public companies, including requiring certain corporate governance practices. Our management and other personnel devote a substantial amount of time to these requirements. Moreover, these rules and regulations increase our legal and financial compliance costs and make some activities more time-consuming and costly.

For example, the Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act") requires, among other things, that we maintain effective internal controls for financial reporting and disclosure controls and procedures. In particular, we must perform system and process evaluations and testing of our internal controls over financial reporting to allow management to report on the effectiveness of our internal controls over financial reporting, as required by Section 404 of the Sarbanes-Oxley Act. Such compliance may require that we incur substantial accounting expenses and expend significant management efforts. Our testing may reveal deficiencies in our internal controls over financial reporting that are deemed to be material weaknesses. In the event we identify significant deficiencies or material weaknesses in our internal controls that we cannot remediate in a timely manner, the market price of our shares could decline if investors and others lose confidence in the reliability of our financial statements, we could be subject to sanctions or investigations by the SEC, HKEx, China Securities Regulatory Commission (the CSRC), SSE or other applicable regulatory authorities, and our business could be harmed.

If we engage in acquisitions or strategic collaborations, this may increase our capital requirements, dilute our shareholders, cause us to incur debt or assume contingent liabilities, and subject us to other risks.

From time to time, we may evaluate various acquisitions and strategic collaborations, including licensing or acquiring complementary products, intellectual property rights, technologies or businesses. Any completed, in-process or potential acquisition or strategic collaboration may entail numerous risks, including:

- increased operating expenses and cash requirements;
- the assumption of additional indebtedness or contingent or unforeseen liabilities;
- the issuance of our equity securities;
- assimilation of operations, intellectual property and products of an acquired company, including difficulties associated with integrating new personnel;
- the diversion of our management’s attention from our existing product programs and initiatives in pursuing such a strategic merger or acquisition;
- retention of key employees, the loss of key personnel, and uncertainties in our ability to maintain key business relationships;
- risks and uncertainties associated with the other party to such a transaction, including the prospects of that party and their existing drugs or drug candidates and regulatory approvals; and
- our inability to generate revenue from acquired technology and/or products sufficient to meet our objectives in undertaking the acquisition or even to offset the associated acquisition and maintenance costs.

In addition, if we undertake acquisitions or strategic collaborations, we may issue dilutive securities, assume or incur debt obligations, incur large one-time expenses and acquire intangible assets that could result in significant future amortization expense. For example, in connection with the Amgen transaction, we issued to Amgen a total of 206,635,013 ordinary shares in the form of ADSs, representing 20.5% of the issued share capital of the Company after giving effect to the share issuance, which resulted in Amgen becoming our largest shareholder and the ownership of our existing shareholders being diluted.

PRC regulations and rules concerning mergers and acquisitions, including the Regulations on Mergers and Acquisitions of Domestic Companies by Foreign Investors (the "M&A Rules"), and other regulations and rules with respect to mergers and

acquisitions established additional procedures and requirements that could make merger and acquisition activities by foreign investors more time consuming and complex. For example, the M&A Rules require that the Ministry of Commerce of the PRC (the MOFCOM) be notified in advance of any change-of-control transaction in which a foreign investor takes control of a PRC domestic enterprise, if (i) any important industry is concerned, (ii) such transaction involves factors that have or may have impact on the national economic security, or (iii) such transaction will lead to a change in control of a domestic enterprise which holds a famous trademark or PRC time-honored brand. Moreover, according to the Anti-Monopoly Law of the PRC and the Provisions on Thresholds for Prior Notification of Concentrations of Undertakings (the "Prior Notification Rules") issued by the State Council, the concentration of business undertakings by way of mergers, acquisitions or contractual arrangements that allow one market player to take control of or to exert decisive impact on another market player must also be notified in advance to the State Administration of Market Regulation (the SAMR) when the threshold is crossed and such concentration shall not be implemented without the clearance of prior notification. In addition, the Measures for Security Review of Foreign Investment jointly issued by the National Development and Reform Commission and MOFCOM and the Regulations on Implementation of Security Review System for the Merger and Acquisition of Domestic Enterprise by Foreign Investors (the "Security Review Rules") issued by the MOFCOM specify that mergers and acquisitions by foreign investors that raise “national defense and security” concerns and mergers and acquisitions through which foreign investors may acquire the de facto control over domestic enterprises that raise “national security” concerns are subject to strict review by the MOFCOM, and the rules prohibit any activities attempting to bypass a security review by structuring the transaction through, among other things, trusts, entrustment or contractual control arrangements.

We may also be subject to similar review and regulations in other jurisdictions, such as the laws and regulations on foreign investment in the United States under the jurisdiction of the Committee on Foreign Investment in the United States (the CFIUS) and other agencies, including the Foreign Investment Risk Review Modernization Act (the FIRRMA), which became effective in February 2020.

Furthermore, according to the Draft Overseas Listing Regulations, if a Chinese overseas listed company issues overseas listed securities to acquire assets, such issuance would be subject to certain filing requirements with the CSRC.

In the future, we may grow our business by acquiring complementary businesses. Complying with the requirements of the above-mentioned regulations and other relevant rules to complete such transactions could be time consuming, and any required approval or filing processes, including obtaining approval from or filing with CFIUS, the SAMR, the MOFCOM, the CSRC or other agencies may delay or inhibit our ability to complete such transactions. It is unclear whether those complementary businesses we may acquire in the future would be deemed to be in an industry that raises “national defense and security” or “national security” concerns.

However, CFIUS, SAMR, MOFCOM, CSRC or other government agencies may publish explanations in the future determining that certain of the complementary business is in an industry subject to the security review, in which case our future acquisitions in the United States and the PRC, including those by way of entering into contractual control arrangements with target entities, may be closely scrutinized or prohibited. Our ability to expand our business or maintain or expand our market share through future acquisitions would as such be materially and adversely affected.

If we fail to comply with the U.S. Foreign Corrupt Practices Act or other anti-bribery and corruption laws, our reputation may be harmed and we could be subject to penalties and significant expenses that have a material adverse effect on our business, financial condition and results of operations.

We are subject to the U.S. Foreign Corrupt Practices Act (the FCPA). The FCPA generally prohibits us from making improper payments to non-U.S. officials for the purpose of obtaining or retaining business. We are also subject to the anti-bribery and corruption laws of other jurisdictions, particularly China. The anti-bribery laws in China generally prohibit companies and their intermediaries from making payments to government officials for the purpose of obtaining or retaining business or securing any other improper advantage. As our business has expanded, the applicability of the FCPA and other anti-bribery and corruption laws to our operations has increased.

We do not fully control the interactions our employees, distributors and third-party promoters have with hospitals, medical institutions and doctors, and they may try to increase sales volumes of our products through means that constitute violations of United States, PRC or other countries’ anti-corruption and related laws. If our employees, distributors or third-party promoters engage in corrupt or other improper conduct that results in violation of applicable anti-corruption laws, our reputation could be harmed. Furthermore, we could be held liable for actions taken by our employees, distributors or third-party promoters, which could expose us to regulatory investigations and penalties.

Although we have policies and procedures designed to ensure that we, our employees and our agents comply with anti- bribery laws, there is no assurance that such policies or procedures will prevent our agents, employees and intermediaries from engaging in bribery activities. Our procedures and controls to monitor anti-bribery and corruption compliance may fail to

protect us from reckless or criminal acts committed by our employees or agents. If we, due to either our own deliberate or inadvertent acts or those of others, fail to comply with applicable anti-bribery and corruption laws, our reputation could be harmed and we could incur criminal or civil penalties, including but not limited to imprisonment, criminal and civil fines, suspension of our ability to do business with the government, denial of government reimbursement for our products and/or exclusion from participation in government healthcare programs, other sanctions and/or significant expenses, which could have a material adverse effect on our business.

If we or our CROs or contract manufacturing organizations (CMOs) fail to comply with environmental, health and safety laws and regulations, we could become subject to fines or penalties or incur costs that could have a material adverse effect on our business.

We and third parties, such as our CROs or CMOs, are subject to numerous environmental, health and safety laws and regulations, including those governing laboratory procedures and the handling, use, storage, treatment and disposal of hazardous materials and waste. In addition, our construction projects can only be put into operation after certain regulatory procedures with the relevant administrative authorities in charge of environmental protection, health and safety have been completed. Our operations involve the use of hazardous and flammable materials, including chemicals and biological materials. Our operations also produce hazardous waste products. We generally contract with third parties for the disposal of these materials and waste. We cannot eliminate the risk of contamination or injury from these materials. In the event of contamination or injury resulting from our use of hazardous materials, we could be held liable for any resulting damages, and any liability could exceed our insurance coverage. We also could incur significant costs associated with civil or criminal fines and penalties.

Although we maintain workers' compensation insurance to cover us for costs and expenses that we may incur due to injuries to our employees resulting from the use of or exposure to hazardous materials, this insurance may not provide adequate coverage against potential liabilities. We do not maintain insurance for environmental liability or toxic tort claims that may be asserted against us in connection with our storage, use or disposal of biological or hazardous materials.

In addition, we may be required to incur substantial costs to comply with current or future environmental, health and safety laws and regulations. These current or future laws and regulations may impair our research, development, manufacturing or commercialization efforts. Failure to comply with these laws and regulations also may result in substantial fines, penalties or other sanctions.

Our information technology systems, or those used by our contractors or collaborators, may fail or suffer security breaches, which could result in a material disruption of our product development and commercialization efforts.

Despite the implementation of security measures, our information technology systems and those of our contractors and collaborators, are vulnerable to damage from internal or external events, such as computer viruses, unauthorized access, natural disasters, terrorism, war, and telecommunication and electrical failures, which can compromise the confidentiality, integrity and availability of the systems. Although to our knowledge we have not experienced any material system failure or security breach to date, if such an event were to occur and cause interruptions in our operations, it could result in a material disruption of our research, development, manufacturing, regulatory and commercialization efforts and our business operations.

In the ordinary course of our business, we collect and store sensitive data, including, among other things, legally protected patient health information, personally identifiable information about our employees, intellectual property, and proprietary business information. We manage and maintain our applications and data utilizing on-site systems and outsourced vendors. These applications and data encompass a wide variety of business-critical information, including research and development information, commercial information and business and financial information. Because information systems, networks and other technologies are critical to many of our operating activities, shutdowns or service disruptions at our company or vendors that provide information systems, networks, or other services to us pose increasing risks. Such disruptions may be caused by events such as computer hacking, phishing attacks, ransomware, dissemination of computer viruses, worms and other destructive or disruptive software, denial of service attacks and other malicious activity, as well as power outages, natural disasters (including extreme weather), terrorist attacks or other similar events. Such events could cause loss of data, damage to systems and data and leave us unable to utilize key business systems or access important data needed to operate our business. Our contractors and collaborators have and in the future may face similar risks, and service disruptions or security breaches of their systems could adversely affect our security, leave us without access to important systems, products, raw materials, components, services or information or expose our confidential data. In addition, system redundancy may be ineffective or inadequate, and our disaster recovery planning may not be sufficient to cover all eventualities. Significant events could result in a disruption of our operations, damage to our reputation or a loss of revenues. In addition, we may not have adequate insurance coverage to compensate for any losses associated with such events.

We could be subject to risks caused by misappropriation, misuse, leakage, falsification or intentional or accidental release or loss of information maintained in the information systems and networks of our company and our vendors, including personal

information of our employees and patients, and company and vendor confidential data. In addition, outside parties may attempt to penetrate our systems or those of our vendors or fraudulently induce our personnel or the personnel of our vendors to disclose sensitive information in order to gain access to our data and/or systems. Like other companies, we and our third-party vendors have on occasion experienced, and will continue to experience, threats to our or their data and systems, including malicious codes and viruses, phishing, business email compromise attacks, ransomware, or other cyber-attacks. The number and complexity of these threats continue to increase over time. If a material breach of our information technology systems or those of our vendors occurs, we could be required to expend significant amounts of money and other resources to respond to these threats or breaches and to repair or replace information systems or networks and could suffer financial loss or the loss of valuable confidential information. In addition, we could be subject to regulatory actions and/or claims made by individuals and groups in private litigation involving privacy issues related to data collection and use practices and other data privacy laws and regulations, including claims for misuse or inappropriate disclosure of data, as well as unfair or deceptive practices. Although we develop and maintain systems and controls designed to prevent these events from occurring, and we have processes to identify and mitigate threats, the development and maintenance of these systems, controls and processes is costly and requires ongoing monitoring and updating as technologies change and efforts to overcome security measures become increasingly sophisticated. Moreover, despite our efforts, the possibility of these events occurring cannot be eliminated entirely. As we outsource more of our information systems to vendors, engage in more electronic transactions with payors and patients, and rely more on cloud-based information systems, the related security risks will increase and we will need to expend additional resources to protect our technology and information systems. In addition, there can be no assurance that our internal information technology systems or those of our contractors and collaborators, as well as our and their efforts to implement adequate security and control measures, will be sufficient to protect us against breakdowns, service disruptions, data deterioration or loss in the event of a system malfunction, or prevent data from being stolen or corrupted in the event of a cyberattack, security breach, ransomware, industrial espionage attack or insider threat attack that could adversely affect our business and operations and/or result in the loss or exposure of critical, proprietary, private, confidential or otherwise sensitive data, which could result in financial, legal, business or reputational harm to us.

Our failure to comply with data protection laws and regulations could lead to government enforcement actions and significant penalties against us, and adversely impact our operating results.

The regulatory framework for the collection, use, safeguarding, sharing, transfer and other processing of personal information and other regulated data worldwide is complex and is rapidly evolving.

In the United States, we are subject to laws and regulations that address privacy, personal information protection and data security at both the federal and state levels. Numerous laws and regulations, including security breach notification laws, health information privacy laws, and consumer protection laws, govern the collection, use, disclosure and protection of health-related and other personal information. Given the variability and evolving state of these laws, we face uncertainty as to the exact interpretation of the new requirements, and we may be unsuccessful in implementing all measures required by regulators or courts in their interpretation.

Regulatory authorities in Europe have implemented and are considering a number of legislative and regulatory proposals concerning data protection. For example, the General Data Protection Regulation (EU) 2016/679 (GDPR), which became effective in 2018, imposes a broad range of strict requirements on companies subject to the GDPR. Because the GDPR specifically gives member states flexibility with respect to certain matters, national laws may partially deviate from the GDPR and impose different obligations from country to country, leading to additional complexity and uncertainty. Despite our best efforts to comply, there is a risk that we may be subject to fines and penalties, litigation, and reputational harm in connection with our European activities. The GDPR may increase our responsibility and liability in relation to personal data that we process where such processing is subject to the GDPR, and we may be required to put in place additional mechanisms to ensure compliance with the GDPR, including deviations implemented by individual countries.

In addition, further to the UK's exit from the EU on January 31, 2020, the GDPR ceased to apply in the UK at the end of the transition period on December 31, 2020. However, as of January 1, 2021, the UK's European Union (Withdrawal) Act 2018 incorporated the GDPR (as it existed on December 31, 2020 but subject to certain UK specific amendments) into UK law, referred to as the UK GDPR. Although the UK is regarded as a third country under the EU's GDPR, the European Commission (EC) has now issued a decision recognizing the UK as providing adequate protection under the EU GDPR and, therefore, transfers of personal data originating in the EU to the UK remain unrestricted. The UK government has confirmed that personal data transfers from the UK to the EEA remain free flowing.

China has implemented rules and is considering a number of additional proposals concerning data protection. The Cyber Security Law of the PRC, which became effective in 2017, created China's first national-level data protection for "network operators," which may include all organizations in China that provide services over the internet or another information network. Numerous related laws, regulations, guidelines and other measures are expected to be adopted, certain of which may, upon

enactment, require security review before transferring human health-related data out of China. Additionally, the Measures for the Management of Scientific Data provides a broad definition of scientific data and relevant rules for the management of scientific data in China and requires that enterprises in China must seek regulatory approval before any scientific data involving a state secret may be transferred abroad or to foreign parties. Any researcher conducting research funded at least in part by the Chinese government is required to submit relevant scientific data for management by the entity to which such researcher is affiliated before such data may be published in any foreign academic journal. The Data Security Law of the PRC became effective on September 1, 2021. One of this law's primary goals is to ensure data security by establishing an overarching regulatory regime over data processors who process "important data" in China and subjecting such processors to a number of regulatory obligations, e.g., data localization. Given its broad scope and impact it may have if enforced as is, it is expected that the State Council and relevant Chinese regulators will enact implementing rules to further clarify the scope and application of such requirement. In addition, the Personal Information Protection Law (PIPL) of the PRC became effective on November 1, 2021. The PIPL requires, among others, that (i) the processing of personal information should have a clear and reasonable purpose which should be directly related to the processing purpose, in a method that has the least impact on personal rights and interests, and (ii) the collection of personal information should be limited to the minimum scope necessary to achieve the processing purpose to avoid the excessive collection of personal information. The PIPL also requires entities handling personal information to bear responsibilities for their personal information handling activities, and adopt necessary measures to safeguard the security of the personal information they handle. Otherwise, such entities could be ordered to correct, or suspend or terminate the provision of services, and face confiscation of illegal income, fines or other penalties. The PIPL further specifies the conditions for providing personal information to overseas recipients, including conducting security assessment and personal information protection certification as well as entering into contractual arrangements with overseas information recipients.

In addition, on November 14, 2021, the Cyberspace Administration of China promulgated the Draft Cyber Data Security Regulations, for public comments, pursuant to which, data processors processing important data or listed overseas shall conduct an annual data security self-assessment or entrust a data security service institution to do so, and submit the data security assessment report of the previous year to the local branch of the Cyberspace Administration of China before January 31 each year. Since there is no definite timetable as to when draft will be enacted, substantial uncertainties exist with respect to whether such annual data security self-assessment and reporting requirement would apply to us.

Furthermore, the PRC regulatory authorities have also enhanced the supervision and regulation on cross-border data transmission. For example, on October 29, 2021, the Measures for the Security Assessment of Cross-border Data Transmission (Draft for Comment) were proposed by the Cybersecurity Administration of China for public comments, which require that any data processor providing important data collected and generated during operations within the PRC or personal information that should be subject to security assessment according to law to an overseas recipient shall conduct security assessment. These measures have not been formally adopted, and substantial uncertainties still exist with respect to the enactment timetable, final content, interpretation and implementation of these measures and how they will affect our business operation.

We expect that these data protection and transfer laws and regulations will continue to receive greater attention and focus from regulators going forward, and we will continue to face uncertainty as to whether our efforts to comply with evolving obligations under data protection, privacy and security laws will be sufficient. Any failure or perceived failure by us to comply with applicable laws and regulations could result in reputational damage or proceedings or actions against us by governmental entities, individuals or others. These proceedings or actions could subject us to significant administrative, civil or criminal penalties and negative publicity, result in the delayed or halted transfer or confiscation of certain personal information or scientific data (such as the results of our preclinical studies or clinical trials conducted within China), or other regulated data, result in the suspension of research and development of drug candidates, ongoing clinical trials or ban on initiation of new trials, require us to change our business practices, increase our costs, or materially harm our business, prospects, financial condition and results of operations. In addition, our current and future relationships with customers, vendors, pharmaceutical partners and other third parties could be negatively affected by any proceedings or actions against us or current or future data protection obligations imposed on them under applicable law. In addition, a data breach affecting personal information or other regulated data, including health information, or a failure to comply with applicable requirements could result in significant management resources, legal and financial exposure and reputational damage that could potentially have a material adverse effect on our business, results of operations, and financial condition.

If we or parties on whom we rely fail to maintain the necessary licenses for the development, manufacture, sale and distribution of our products, our ability to conduct our business could be materially impaired.

We are required to obtain, maintain and renew various permits, licenses and certificates to develop, manufacture, promote and sell our products. Third parties, such as distributors, third-party promoters and third-party manufacturers, on whom we may rely to develop, manufacture, promote, sell and distribute our products may be subject to similar requirements. We and third parties on whom we rely may be also subject to regular inspections, examinations, inquiries or audits by the regulatory

authorities, and an adverse outcome of such inspections, examinations, inquiries or audits may result in the loss or non-renewal of the relevant permits, licenses and certificates. Moreover, the criteria used in reviewing applications for, or renewals of permits, licenses and certificates may change from time to time, and there can be no assurance that we or the parties on whom we rely will be able to meet new criteria that may be imposed to obtain or renew the necessary permits, licenses and certificates. Many of such permits, licenses and certificates are material to the operation of our business, and if we or parties on whom we rely fail to maintain or renew material permits, licenses and certificates, our ability to conduct our business could be materially impaired. Furthermore, if the interpretation or implementation of existing laws and regulations change, or new regulations come into effect, requiring us or parties on whom we rely to obtain any additional permits, licenses or certificates that were previously not required to operate our business, there can be no assurance that we or parties on whom we rely will successfully obtain such permits, licenses or certificates.

Business disruptions could seriously harm our future revenue and financial condition and increase our costs and expenses.

Our operations and those of our third-party contractors and collaborators could be subject to natural or man-made disasters, public health epidemics or other business interruptions, for which we are predominantly self-insured. In addition, we partially rely on our third-party research institution collaborators for conducting research and development of our drug candidates, and they may be affected by such business interruptions, government shutdowns or withdrawn funding. The occurrence of any of these business interruptions could seriously harm our operations and financial condition and increase our costs and expenses. We partially rely on third-party manufacturers to produce and process our medicines and drug candidates. Our ability to obtain supplies of our medicines and drug candidates could be disrupted if the operations of these suppliers are affected by man-made or natural disasters, public health epidemics or other business interruptions. Damage or extended periods of interruption to our or our vendors' corporate, development, research or manufacturing facilities due to fire, natural disaster, power loss, communications failure, unauthorized entry, public health epidemics or other events could cause us to delay or cease development or commercialization of some or all of our medicines and drug candidates. Although we maintain insurance coverage on these facilities, our insurance might not cover all losses under such circumstances and our business may be seriously harmed by such delays and interruption. For example, the COVID-19 pandemic has impacted and could continue to negatively impact our business and our financial performance, including causing a delay in or the inability of health authorities to complete regulatory inspections of our development activities, regulatory filings or manufacturing operations. Our clinical development and commercial efforts could be delayed or otherwise negatively impacted, as patients may be reluctant to go to the hospitals to receive treatment, or our regulatory inspections or regulatory filings and approvals could be delayed. We have already experienced delays in clinical trial recruitment. Additionally, the commercial or clinical supply of our medicines and drug candidates could be negatively impacted due to reduced operations or a shutdown of our or our third-party manufacturing facilities, distribution channels and transportation systems, or shortages of raw materials and drug product.

****Our business and results of operations could be adversely affected by public health crises and natural catastrophes or other disasters outside of our control in the locations in which we and our contractors and collaborators operate.***

Our global operations expose us to risks associated with public health crises, such as epidemics and pandemics, natural catastrophes, such as earthquakes, hurricanes, typhoons, or floods, or other disasters such as fires, explosions and terrorist activity or wars that are outside of our control, including government reactions due to such events. Our business operations and those of our contractors and collaborators may potentially suffer interruptions caused by any of these events.

In December 2019, the COVID-19 pandemic began to impact the population in China and since January 2020, the COVID-19 pandemic has spread around the world. The continued spread of COVID-19, despite progress in vaccination efforts, has negatively impacted our business and results of operations, including commercial sales, regulatory interactions, inspections, and filings, and clinical trial recruitment, participation and data read outs. There remains uncertainty regarding the future impact of the pandemic both globally and specifically in China due to outbreaks and restrictions and potential impact on clinical, manufacturing and commercial operations. In addition, COVID-19 has resulted in significant governmental measures being implemented to control the spread of the virus, including quarantines, travel restrictions, social distancing and business shutdowns. The extent to which such measures are removed or new measures are put in place will depend upon how the pandemic evolves, as well as the distribution of available vaccines, the rates at which they are administered and the emergence of new variants of the virus. We have taken precautionary measures intended to help minimize the risk of the virus to our employees, including temporarily requiring many employees to work remotely. We have suspended or limited non-essential travel worldwide for our employees and are discouraging employee attendance at other gatherings. These measures could negatively affect our business. For instance, temporarily requiring all employees to work remotely may induce absenteeism or employee turnover, disrupt our operations or increase the risk of a cybersecurity incident. COVID-19 has also caused volatility in the global financial markets and threatened a slowdown in the global economy, which may negatively affect our business, results of operations, and financial condition.

The extent to which the COVID-19 pandemic may continue to impact our business will depend on future developments, which are highly uncertain and cannot be predicted with confidence, such as the duration of the pandemic, the severity of COVID-19, including the continued emergence of new variants, developments or perceptions regarding the safety of vaccines, or any additional preventative and protective actions taken to contain the pandemic or treat its impact, particularly in the United States, China, Europe and other geographies where we or our third-party contractors and collaborators operate. We cannot presently predict the scope and severity of any potential business shutdowns or disruptions and any new wave of COVID-19 cases could have a widespread impact on our business and results of operations depending on where infection rates are the highest. If we or any of the third parties with whom we engage, however, were to experience shutdowns or other business disruptions, our ability to conduct our business in the manner and on the timelines presently planned could be materially and negatively affected, which could have a material adverse impact on our business, results of operations, and financial condition. We will continue to monitor the latest disruptions and uncertainties relating to the COVID-19 pandemic, including the pace of vaccinations and the emergence of new and more contagious strains of the virus, and any resulting impact on our business, financial condition, results of operations and prospects. Any resulting financial impact cannot be reasonably estimated at this time and may have a material adverse impact on our business, financial condition and results of operations.

Environmental regulation of our business, as a response to climate change, could adversely impact us by increasing our compliance costs and could have a material adverse effect on our results and financial condition.

There has been a broad range of proposed and promulgated state, national and international regulation aimed at reducing the effects of climate change. Such regulations apply or could apply in countries where we have interests or could have interests in the future. Such regulation could result in additional costs in the form of taxes and investments of capital to maintain compliance with laws and regulations.

Climate change regulations continue to evolve, and while it is not possible to accurately estimate either a timetable for implementation or our future compliance costs relating to implementation, it is possible that such regulation could have a material effect in the foreseeable future on our business, results of operations, capital expenditures or financial position.

Our financial and operating performance may be adversely affected by adverse weather conditions, natural disasters and other catastrophes.

We have manufacturing facilities in Suzhou and Guangzhou, China. A significant disruption at these facilities, even on a short-term basis, could impair our ability to timely produce products, which could have a material adverse effect on our business, financial position and results of operations. Our manufacturing operations are vulnerable to interruption and damage from natural and other types of disasters, including earthquake, fire, floods, environmental accidents, power loss, communications failures and similar events. If any disaster were to occur, our ability to operate our business at our facilities would be seriously impaired. For example, our Guangzhou manufacturing facility was hit by a typhoon in 2019, but the typhoon did not cause material damage to the facility. However, the boundary area and the adjacent land were flooded, causing a power outage for a few days. Afterwards, we built a gutter along the boundary and installed waterproof electricity cables to fortify the facility and to help prevent future interruptions.

In addition, we do not maintain any insurance other than property insurance for some of our buildings, vehicles and equipment. Accordingly, unexpected business interruptions resulting from disasters could disrupt our operations and thereby result in substantial costs and diversion of resources. Our production process requires a continuous supply of electricity. We have encountered power shortages historically in China due to restricted power supply to industrial users during summers when the usage of electricity is high and supply is limited or as a result of damage to the electricity supply network. Because the duration of those power shortages was brief, they had no material impact on our operations. Longer interruptions of electricity supply could result in lengthy production shutdowns, increased costs associated with restarting production and the loss of production in progress. Any major suspension or termination of electricity or other unexpected business interruptions could have a material adverse impact on our business, financial condition and results of operations.

Climate change manifesting as physical or transition risks could have a material adverse impact on our business operations, clients and customers.

The long-term effects of climate change are difficult to assess and predict. Our business and the activities of our clients and customers could be impacted by climate change. Climate change could manifest as a financial risk either through changes in the physical climate or from the process of transitioning to a low-carbon economy, including changes in climate policy or in the regulation of companies with respect to risks posed by climate change.

The physical impacts of climate change may include physical risks (such as rising sea levels or frequency and severity of extreme weather conditions), social and human effects (such as population dislocations or harm to health and well-being), compliance costs and transition risks (such as regulatory or technology changes) and other adverse effects. The effects could

impair, for example, the availability and cost of certain products, commodities and energy (including utilities), which in turn may impact our ability to procure goods or services required for the operation of our business at the quantities and levels we require. We bear losses incurred as a result of, for example, physical damage to or destruction of our facilities, loss or spoilage of inventory, and business interruption due to weather events that may be attributable to climate change could materially adversely affect our business operations, financial position or results of operation.

Product liability claims or lawsuits could cause us to incur substantial liabilities.

We face an inherent risk of product liability as a result of the commercialization of our medicines in the United States, China, Europe and other markets, and for the clinical testing and any future commercialization of our drug candidates globally. For example, we may be sued if our medicines or drug candidates cause or are perceived to cause injury or are found to be otherwise unsuitable during clinical testing, manufacturing, marketing or sale. Any such product liability claims may include allegations of defects in manufacturing, defects in design, a failure to warn of dangers inherent in the medicine, negligence, strict liability or a breach of warranties. Claims could also be asserted under applicable consumer protection acts. If we cannot successfully defend ourselves against or obtain indemnification from our collaborators for product liability claims, we may incur substantial liabilities or be required to limit commercialization of our medicines and drug candidates. Even successful defense would require significant financial and management resources. Regardless of the merits or eventual outcome, liability claims may result in: decreased demand for our medicines; injury to our reputation; withdrawal of clinical trial participants and inability to continue clinical trials; initiation of investigations by regulators; costs to defend the related litigation; a diversion of our management's time and resources; substantial monetary awards to trial participants or patients; product recalls, withdrawals or labeling, marketing or promotional restrictions; loss of revenue; exhaustion of any available insurance and our capital resources; the inability to commercialize any medicine or drug candidate; and a decline in our share price.

Our inability to obtain sufficient product liability insurance at an acceptable cost to protect against potential product liability claims could prevent or inhibit the commercialization of our medicines and drug candidates. Although we currently hold product liability coverage which we believe to be sufficient in light of our current products and clinical programs, the amount of such insurance coverage may not be adequate, and we may be unable to maintain such insurance at a reasonable cost or in an amount adequate to satisfy any liability that may arise, or we may not be able to obtain additional or replacement insurance at a reasonable cost, if at all. Our insurance policies may also have various exclusions, and we may be subject to a product liability claim for which we have no coverage. We may have to pay any amounts awarded by a court or negotiated in a settlement that exceed our coverage limitations or that are not covered by our insurance, and we may not have, or be able to obtain, sufficient capital to pay such amounts. Even if our agreements with any future collaborators entitle us to indemnification against losses, such indemnification may not be available or adequate should any claim arise.

We are subject to the risks and challenges of doing business globally, which may adversely affect our business operations.

Our business is subject to risks and challenges associated with doing business globally. Accordingly, our business and financial results could be adversely affected due to a variety of factors, including: changes in a specific country's or region's political and cultural climate or economic condition; unexpected changes in laws and regulatory requirements in local jurisdictions; challenges in replicating or adapting our company policies and procedures to operating environments different from that of the United States; difficulty of effective enforcement of contractual provisions in local jurisdictions; inadequate intellectual property protection in certain countries; enforcement of anti-corruption and anti-bribery laws, such as the FCPA; trade-protection measures or disputes, import or export licensing requirements, and fines, penalties or suspension or revocation of export privileges; laws and regulations on foreign investment in the United States under the jurisdiction of the CFIUS and other agencies; the effects of applicable local tax regimes and potentially adverse tax consequences; the impact of public health epidemics on employees, our operations and the global economy; restrictions on international travel and commerce; and significant adverse changes in local currency exchange rates. In addition, in 2017 the United Kingdom Financial Conduct Authority (FCA), which regulates the London Interbank Offered Rate (LIBOR), announced that it will no longer require banks to submit rates for the calculation of LIBOR to the LIBOR administrator after 2021. On November 30, 2020, the FCA announced a partial extension of this deadline, indicating its intention to cease the publication of the one-week and two-month USD LIBOR settings immediately following December 31, 2021, and the remaining USD LIBOR settings immediately following the LIBOR publication on June 30, 2023. While various replacement reference rates have been proposed, an alternative reference rate to LIBOR has not yet been widely adopted. As such, the replacement of LIBOR could have an adverse effect on the market for, or value of, LIBOR-linked financial instruments. Failure to manage these risks and challenges could negatively affect our ability to expand our businesses and operations as well as materially and adversely affect our business, financial condition and results of operations.

Future operating results could be negatively affected by changes in tax rates, the adoption of new tax legislation in the jurisdictions in which we operate, or exposure to additional tax liabilities.

The nature of our international operations subjects us to local, state, regional and national tax laws in jurisdictions around the world. Our future tax expense could be affected by changes in the mix of earnings in countries with differing statutory tax rates, changes in the valuation of deferred tax assets and liabilities or changes in tax laws or their interpretation. Additionally, tax rules governing cross-border activities are continually subject to modification intended to address concerns over base erosion and profit shifting (BEPS) and other perceived international tax avoidance techniques as a result of both coordinated actions by governments, such as the OECD/G20 Inclusive Framework on BEPS, and unilateral measures designed by individual countries. For example, the Cayman Islands has enacted the International Tax Co-operation (Economic Substance) Law (2020 Revision) (the "Economic Substance Law"), which originally took effect on January 1, 2019, and which is accompanied by Guidance on Economic Substance for Geographically Mobile Activities (Version 2.0; April 30, 2019) published by the Cayman Islands Tax Information Authority. The Economic Substance Law embraces a global initiative to combat BEPS and demonstrates the continued commitment of the Cayman Islands to international best practice. The Economic Substance Law provides that relevant entities that existed before January 1, 2019 and that had been conducting relevant activities by that date must comply with the economic substance requirements from July 1, 2019, and relevant entities that are established from January 1, 2019 onwards must comply with the requirements from the date they commence the relevant activity. Although we believe that we currently are not obliged to meet the economic substance requirements under the Economic Substance Law, we cannot predict any changes to the legislation or its interpretation in the future. If we are obliged to meet certain economic substance requirements in the future, our business and results of operations could be negatively impacted if we are required to make changes to our business in order to gain compliance or if we fail to comply.

We have received tax rulings from various governments that have jurisdictional authority over our operations. If we are unable to meet the requirements of such agreements, or if they expire or are renewed on less favorable terms, the result could negatively impact our future earnings. Additionally, the European Commission has opened formal investigations into specific tax rulings granted by several countries to specific taxpayers. While we believe that our rulings are consistent with accepted tax ruling practices, the ultimate resolution of such activities cannot be predicted and could also have an adverse impact on future operating results.

Risks Related to Our Doing Business in the PRC

Changes in the political and economic policies of the PRC government or in relations between China and the United States or other governments may materially and adversely affect our business, financial condition, and results of operations and may result in our inability to sustain our growth and expansion strategies.

Due to our operations in China, our business, results of operations, financial condition and prospects may be influenced to a significant degree by economic, political, legal and social conditions in the PRC or changes in government relations between China and the United States or other governments. There is significant uncertainty about the future relationship between the United States and China with respect to trade policies, treaties, government regulations and tariffs. China's economy differs from the economies of other countries in many respects, including with respect to the level of development, growth rate, amount of government involvement, control of foreign exchange and allocation of resources. While China's economy has experienced significant growth over the past four decades, growth has been uneven across different regions and among various economic sectors. The Chinese government has implemented various measures to encourage economic development and guide the allocation of resources. Some of these measures may benefit the overall Chinese economy, but may have a negative effect on us. For example, our financial condition and results of operations may be adversely affected by government control over capital investments or changes in tax regulations that are currently applicable to us. In addition, in the past the Chinese government implemented certain measures, including interest rate increases, to manage the pace of economic growth and prevent the economy from overheating. These measures may cause decreased economic activity in China, which may adversely affect our business and results of operations.

Additionally, the Chinese government has published new policies that significantly affect certain industries such as the education and internet industries, and we cannot rule out the possibility that it will in the future release regulations or policies regarding our industry that could require us to obtain additional permission from Chinese authorities to continue to operate our business in China, which may adversely affect our business, financial condition and results of operations.

Furthermore, recent statements made by the Chinese government have indicated an intent to increase the government's oversight and control over offerings of companies with significant operations in China that are to be conducted in foreign markets.

For example, in July 2021, the PRC government provided guidance on China-based companies raising capital outside of China, including through arrangements called variable interest entities (VIEs). In light of such developments, the SEC has

imposed enhanced disclosure requirements on China-based companies seeking to register securities with the SEC. On December 24, 2021, the CSRC released the Provisions of the State Council on the Administration of Domestic Companies Offering Securities for Overseas Listing (Revision Draft for Comments) (the Draft Provisions) and the Administrative Measures for the Filing of Domestic Companies Seeking Overseas Securities Offering and Listing (the Filing Measures, or collectively, the Draft Overseas Listing Regulations) for public comment. According to the Draft Overseas Listing Regulations, where Chinese companies that have directly or indirectly listed securities in overseas markets conduct follow-on offering in overseas markets, they shall fulfill the filing procedures with and report relevant information to the CSRC. If we are deemed as an indirect overseas listed Chinese company but fail to complete the filing procedures with the CSRC for any of our follow-on offerings or fell within any of the circumstances where our follow-on offering is prohibited by the State Council, our offering application may be suspended and we may be subject to penalties, sanctions and fines imposed by the CSRC and relevant departments of the State Council. The Draft Overseas Listing Regulations were released only for soliciting public comments at this stage and their provisions and anticipated adoption or effective date are subject to changes and thus their interpretation and implementation remain substantially uncertain. We are currently evaluating the implications and potential impact of the Draft Overseas Listing Regulations and will continue to closely monitor the development and implementation of the Draft Overseas Listing Regulations. Although we do not have a VIE structure, due to our operations in China and stock listings in and outside of China, any future PRC, U.S. or other rules and regulations that place restrictions on capital raising or other activities by companies with extensive operations in China could adversely affect our business and results of operations. Any such action, once taken by the Chinese government, could significantly limit or completely hinder our ability to offer or continue to offer our ADSs or ordinary shares to investors, and could cause the value of our ADSs or ordinary shares to significantly decline or become worthless. If the business environment in China deteriorates from the perspective of domestic or international investment, or if relations between China and the United States or other governments deteriorate, our business in China and United States may also be adversely affected.

The audit reports included in our Annual Report on Form 10-K filed with the SEC have historically been prepared by auditors who are not inspected fully by the Public Company Accounting Oversight Board (the PCAOB), and as such, investors have previously been deprived of the benefits of such inspections.

Ernst & Young Hua Ming LLP, our auditor from fiscal year 2014 to fiscal year 2021, is required to undergo regular inspections by the PCAOB as an auditor of companies that are publicly traded in the United States and a firm registered with the PCAOB. Since Ernst & Young Hua Ming LLP is located in China, a jurisdiction where the PCAOB has been unable to conduct inspections without the approval of the Chinese authorities, Ernst & Young Hua Ming LLP has not been and is not currently inspected by the PCAOB. Additionally, because we have substantial operations within the PRC, a jurisdiction where the PCAOB is currently unable to conduct inspections without the approval of the Chinese government authorities, Ernst & Young Hua Ming LLP and the audit work that it has carried out for us in the PRC has not historically been able to be inspected independently and fully by the PCAOB.

Inspections of other auditors conducted by the PCAOB outside the PRC have at times identified deficiencies in those auditors' audit procedures and quality control procedures, which may be addressed as part of the inspection process to improve future audit quality. The lack of PCAOB inspections of audit work undertaken in the PRC prevents the PCAOB from regularly evaluating auditors' audits and their quality control procedures. As a result, to the extent that any components of our auditor's work papers have been or become located in China, such work papers have not been and will not be subject to inspection by the PCAOB. As a result, we and investors of our ADSs, ordinary shares and RMB Shares have been deprived of the benefits of such PCAOB inspections, which could cause investors and potential investors of our stock to lose confidence in our audit procedures and reported financial information and the quality of our financial statements.

Our ADSs may be delisted and our ADSs and ordinary shares prohibited from trading in the over-the-counter market under the Holding Foreign Companies Accountable Act, or the HFCAA, if the PCAOB is unable to inspect or fully investigate auditors located in China. On December 16, 2021, PCAOB issued the HFCAA Determination Report, according to which our previous auditor is subject to the determinations that the PCAOB is unable to inspect or investigate it completely. Under current law, delisting and prohibition from over-the-counter trading in the U.S. could take place in 2024. The delisting of our ADSs, or the threat of their being delisted, may materially and adversely affect the value of your investment.

As part of a continued regulatory focus in the United States on access to audit and other information currently protected by national law, in particular China's, the HFCAA, was signed into law on December 18, 2020. The HFCAA states if the SEC determines that we have filed audit reports issued by a registered public accounting firm that has not been subject to inspection for the PCAOB for three consecutive years beginning in 2021, the SEC shall prohibit securities from being traded on a national securities exchange or in the over-the-counter trading market in the U.S. Accordingly, under the current law, this could happen in 2024 if the SEC makes this determination for three consecutive years. On March 30, 2022, as expected following its adoption of implementing rules pursuant to the HFCAA, the SEC added us to its conclusive list of issuers identified under HFCAA, after

being provisionally named as a Commission-Identified Issuer on March 8, 2022, following the filing of our annual report on Form 10-K with the SEC on February 28, 2022, which annual report was audited by Ernst & Young Hua Ming LLP.

However, as our global business has expanded, we have evaluated, designed and implemented business processes and control changes and built substantial organizational capabilities outside of the PRC, which has enabled us to engage Ernst & Young LLP, located in Boston, Massachusetts, United States, as our independent registered public accounting firm for the audits of our financial statements and internal control over financial reporting for the fiscal year ending December 31, 2022 to be filed with the SEC. We expect that this will satisfy the PCAOB inspection requirements for the audit of our consolidated financial statements, subject to compliance with SEC and other requirements prior to the three-year deadline of the HFCAA.

Additionally, in October 2021, Nasdaq adopted additional listing criteria applicable to companies that primarily operate in jurisdictions where local regulators impose secrecy laws, national security laws or other laws that restrict U.S. regulators from accessing information relating to the issuer (a "Restrictive Market"). Under the new rule, whether a jurisdiction permits PCAOB inspection would be a factor in determining whether a jurisdiction is deemed by Nasdaq to be a Restrictive Market. China will likely be determined to be a Restrictive Market and, as a result, Nasdaq may impose on us additional continued listing criteria or deny continued listing of our securities on Nasdaq, and we cannot assure you whether Nasdaq or regulatory authorities would apply additional and more stringent criteria to us after considering the effectiveness of our auditor's audit procedures and quality control procedures, adequacy of personnel and training, or sufficiency of resources, geographic reach or experience as it relates to our audit.

While we understand there has been dialogue among the CSRC, the SEC and the PCAOB regarding the inspection of PCAOB-registered accounting firms in China, there can be no assurance that we will be able to comply with requirements imposed by U.S. regulators or Nasdaq. Delisting of our ADSs would force holders of our ADSs to sell their ADSs or convert them into our ordinary shares, which are listed for trading on the HKEx. Although our ordinary shares are listed in Hong Kong, investors may face difficulties in converting their ADSs into ordinary shares and migrating the ordinary shares to Hong Kong, or may have to incur increased costs or suffer losses in order to do so. The market price of our ADSs could be adversely affected as a result of anticipated negative impacts of these executive or legislative actions upon, as well as negative investor sentiment towards, companies with significant operations in China that are listed in the United States, regardless of whether these executive or legislative actions are implemented and regardless of our actual operating performance.

Given that Ernst and Young LLP (United States) will serve as the principal accountant to audit our consolidated financial statements for the fiscal year ending December 31, 2022 (the "2022 Form 10-K"), we expect to be able to comply with the HFCAA and certify following the filing of our 2022 Form 10-K that we have retained a registered public accounting firm that the PCAOB has determined it is able to inspect or investigate Ernst & Young LLP (United States), which would preclude a further finding by the SEC that we are a Commission-Identified Issuer and therefore the delisting of our ADSs from the NASDAQ Global Select Market.

However, these efforts may not be sufficient and ultimately may not be successful. We may also be subject to enforcement under the HFCAA, the rules implementing the act that may be adopted by the SEC, and any other similar legislation that may be enacted into law or executive orders that may be adopted in the future. Although we are committed to complying with the rules and regulations applicable to listed companies in the United States, we are currently unable to predict the potential impact on our listed status by any rules that may be adopted by the SEC under the HFCAA in the future. If we failed to comply with those rules, it is possible that our ADSs would be delisted. The risk and uncertainty associated with a potential delisting would have a negative impact on the price of our ADSs, ordinary shares and RMB Shares. Failure to adopt effective contingency plans may also have a material adverse impact on our business and the price of our ADSs, ordinary shares and RMB Shares.

The potential enactment of the Accelerating Holding Foreign Companies Accountable Act (the "AHFCA Act") or the America COMPETES Act would decrease the number of non-inspection years from three years to two, thus reducing the time period before our ADSs may be prohibited from over-the-counter trading or delisted. If this bill were enacted, our ADS could be delisted from the exchange and prohibited from over-the-counter trading in the U.S. in 2023.

On June 22, 2021, the U.S. Senate passed a bill known as the Accelerating Holding Foreign Companies Accountable Act, to amend Section 104(i) of the Sarbanes-Oxley Act of 2002 (15 U.S.C. 7214(i)) to prohibit securities of any registrant from being listed on any of the U.S. securities exchanges or traded over-the-counter if the auditor of the registrant's financial statements is not subject to PCAOB inspection for two consecutive years, instead of three consecutive years as currently enacted in the HFCAA.

On February 4, 2022, the U.S. House of Representatives passed the America Creating Opportunities for Manufacturing Pre-Eminence in Technology and Economic Strength (COMPETES) Act of 2022 (the "America COMPETES Act"), which similarly would amend the HFCAA to shorten the three-year period to two years. The America COMPETES Act, however, includes a broader range of legislation than the AHFCA Act in response to the U.S. Innovation and Competition Act passed by

the U.S. Senate in 2021. The U.S. House of Representatives and the U.S. Senate will need to agree on amendments to these respective bills to allow the legislature to pass their amended bills before the President can sign the bill into law. It is unclear if or when these bills will be signed into law. In the case that the bill becomes the law, it will reduce the time period before our ADSs could be delisted from Nasdaq and prohibited from over-the-counter trading in the U.S. from 2024 to 2023.

Given that Ernst and Young LLP (United States) will serve as the principal accountant to audit our consolidated financial statements for the 2022 Form 10-K, we expect to be able to comply with the AHFCA Act and the COMPETES Act, if they become law, and certify following the filing of our 2022 Form 10-K that we have retained a registered public accounting firm that the PCAOB has determined it is able to inspect or investigate. However, these efforts may not be sufficient and ultimately may not be successful. As a result, our securities may be prohibited from trading on Nasdaq or other U.S. stock exchanges and from over-the-counter trading in the U.S.

Proceedings instituted by the SEC against five PRC-based accounting firms, including our independent registered public accounting firm, could result in our inability to find a registered public accounting firm to audit and issue an opinion on our financial statements, which could result in us not being in compliance with the requirements of the Exchange Act.

In 2012, the SEC brought administrative proceedings against five accounting firms in China, including our independent registered public accounting firm, alleging that they had refused to produce audit work papers and other documents related to certain other PRC-based companies under investigation by the SEC. In 2014, an initial administrative law decision was issued, censuring these accounting firms and suspending four of these firms from practicing before the SEC for a period of six months. In 2015, each of the four PRC-based accounting firms agreed to a censure and to pay a fine to the SEC to settle the dispute and avoid suspension of their ability to practice before the SEC. These firms' ability to continue to serve their clients was not affected by the settlement. The settlement required these firms to follow detailed procedures to seek to provide the SEC with access to Chinese firms' audit documents via the CSRC. If these firms do not follow these procedures, the SEC could impose penalties such as suspensions, or it could restart the administrative proceedings. Our audit committee is aware of the policy restriction and communicates with our independent registered public accounting firm to ensure compliance. If additional remedial measures are imposed on the China-based accounting firms, including our independent registered public accounting firm, in administrative proceedings brought by the SEC alleging the firms' failure to meet specific criteria set by the SEC with respect to requests for the production of documents, we could be unable to timely file future financial statements in compliance with the requirements of the Exchange Act. The settlement did not require these firms to admit to any violation of law and preserves these firms' legal defenses in the event the administrative proceeding is restarted. In the event that the SEC restarts the administrative proceedings, depending upon the final outcome, listed companies in the United States with major PRC operations may find it difficult or impossible to retain auditors in respect of their operations in the PRC, which could result in financial statements being determined to not be in compliance with the requirements of the Exchange Act, including possible delisting. Moreover, any negative news about the proceedings against these audit firms may cause investor uncertainty regarding PRC-based, U.S.-listed companies and the market price of the ADSs and/or ordinary shares may be adversely affected.

If our independent registered public accounting firm is denied, even temporarily, the ability to practice before the SEC and we are unable to timely find another registered public accounting firm to audit and issue an opinion on our financial statements, our financial statements could be determined to be not in compliance with the requirements of the Exchange Act. Such a determination could ultimately lead to deregistration from the SEC, which would substantially reduce or effectively terminate the trading of our ADSs in the United States. Moreover, any negative news about the proceedings against these audit firms may adversely affect investor confidence in companies with substantial mainland China-based operations listed in the United States. All these would materially and adversely affect the market price of the ADSs and substantially reduce or effectively terminate the trading of our ADSs in the United States, and the market price of our ordinary shares may be adversely affected.

There are uncertainties regarding the interpretation and enforcement of Chinese laws, rules and regulations.

A large portion of our operations are conducted in China through our Chinese subsidiaries. Our Chinese subsidiaries are subject to laws, rules and regulations applicable to foreign investment in China. The Chinese legal system is a civil law system based on written statutes. Unlike the common law system, prior court decisions may be cited for reference but have limited precedential value.

In 1979, the Chinese government began to promulgate a comprehensive system of laws, rules and regulations governing economic matters in general. The overall effect of legislation over the past four decades has significantly enhanced the protections afforded to various forms of foreign investment in China. However, China has not developed a fully integrated legal system. The laws, rules and regulations are subject to interpretation and enforcement by PRC regulatory agencies and courts. In particular, because these laws, rules and regulations are relatively new, because of the limited number of published decisions and the non-precedential nature of such decisions, and because the laws, rules and regulations often give the relevant regulator

significant discretion in how to enforce them, the interpretation and enforcement of these laws, rules and regulations involve uncertainties and can be inconsistent and unpredictable. In addition, the legal system is based in part on government policies and internal rules, some of which are not published on a timely basis or at all, and which may have a retroactive effect. The regulations in China can change quickly. As a result, we may not be aware of our violation of these policies and rules until after the occurrence of the violation.

China's Foreign Investment Law and its implementing rule came into force in January 2020. The Foreign Investment Law and its implementing rules embody an expected regulatory trend to rationalize China's foreign investment regulatory regime in line with prevailing international practice and the legislative efforts to unify the legal requirements for both foreign and domestic investments. There are still uncertainties with respect to the interpretation and implementation of the Foreign Investment Law and its implementing rules. For example, the Foreign Investment Law and its implementing rules provide that foreign invested entities established according to the previous laws regulating foreign investment prior to the implementation of the new law may maintain their structure and corporate governance for a five-year transition period. It is uncertain whether governmental authorities may require us to adjust the structure and corporate governance of certain of our Chinese subsidiaries in such transition period. Failure to take timely and appropriate measures to meet any of these or similar regulatory requirements could materially affect our current corporate governance practices and business operations and our compliance costs may increase significantly. In addition, the Measures for the Security Review of Foreign Investment (the "Measures"), effective from January 18, 2021, embody China's continued efforts to provide a legal regime for national security review comparable to similar procedures in other jurisdictions, such as CFIUS review in the United States. There are still uncertainties with respect to the interpretation, implementation and enforcement of the Measures. For example, national security remains undefined and there is no clear guidance on whether the biotechnology industry requires security review and what factors the regulatory authority may consider in determining whether there are security concerns. It is difficult to evaluate the impact of the Measures on our existing investments or potential investments in China.

It may be difficult for overseas regulators to conduct investigations or collect evidence within China. In China, there are significant legal and other obstacles to providing information needed for regulatory investigations or litigations initiated outside China. Although the authorities in China may establish a regulatory cooperation mechanism with the securities regulatory authorities of another country or region to implement cross-border supervision and administration, such cooperation with the securities regulatory authorities in the Unities States may not be efficient in the absence of a mutual and practical cooperation mechanism. According to Article 177 of the PRC Securities Law, which became effective in March 2020, no overseas securities regulator is allowed to directly conduct investigation or evidence collection activities within the PRC territory. While detailed interpretation of or implementation rules under Article 177 have yet to be promulgated, the inability for an overseas securities regulator to directly conduct investigations or evidence collection activities within China may further increase the difficulties you face in protecting your interests. For risks associated with investing in us as a Cayman Islands company, see also "—Risks Related to Our American Depositary Shares and Ordinary Shares—We are a Cayman Islands company. Because judicial precedent regarding the rights of shareholders is more limited under Cayman Islands law than under Hong Kong law, Chinese law or U.S. law, our shareholders may have fewer shareholder rights than they would have under Hong Kong law, Chinese law or U.S. law and may face difficulties in protecting their interests."

Any administrative and court proceedings in China may be protracted, resulting in substantial costs and diversion of resources and management attention. Since administrative and court authorities have significant discretion in interpreting and implementing statutory and contractual terms, it may be more difficult to evaluate the outcome of administrative and court proceedings and the level of legal protection we enjoy than in more developed legal systems. These uncertainties may impede our ability to enforce the contracts we have entered and could materially and adversely affect our business, financial condition and results of operations.

In addition, the PRC government has announced its plans to enhance its regulatory oversight of China-based companies listed overseas and cross-border law enforcement cooperation. The Opinions on Intensifying Crack Down on Illegal Securities Activities issued on July 6, 2021 called for:

- tightening oversight of data security, cross-border data flow and administration of classified information, as well as amendments to relevant regulation to specify responsibilities of overseas listed China-based companies with respect to data security and information security;
- enhanced oversight of overseas listed companies as well as overseas equity fundraising and listing by China-based companies; and
- extraterritorial application of China's securities laws.

There are great uncertainties with respect to the interpretation and implementation of the Opinions on Intensifying Crack Down on Illegal Securities Activities. The PRC government may promulgate relevant laws, rules and regulations to impose additional and significant obligations and liabilities on overseas listed China-based companies regarding data security, cross-border data flow, and compliance with China's securities laws. As a company with extensive operations in China and stock listings in and outside of China, it is uncertain whether or how the new laws, rules and regulations and the interpretation and implementation may affect us. However, among other things, our ability to obtain external financing through the issuance of equity securities overseas could be adversely affected if restrictions on overseas fundraising are imposed on companies like us.

We may rely on dividends and other distributions on equity paid by our PRC subsidiaries to fund any cash and financing requirements we may have, and any limitation on the ability of our PRC subsidiaries to make payments to us could have a material and adverse effect on our ability to conduct our business.

We are a holding company incorporated in the Cayman Islands, and we may rely on dividends and other distributions on equity paid by our PRC subsidiaries for our cash and financing requirements, including the funds necessary to pay dividends and other cash distributions to our shareholders or to service any debt we may incur. If any of our PRC subsidiaries incur debt on their own behalf in the future, the instruments governing the debt may restrict their ability to pay dividends or make other distributions to us. Under PRC laws and regulations, our PRC subsidiaries may pay dividends only out of their respective accumulated profits as determined in accordance with PRC accounting standards and regulations. In addition, a wholly foreign- owned enterprise is required to set aside at least 10% of its accumulated after-tax profits each year, if any, to fund a certain statutory reserve fund, until the aggregate amount of such fund reaches 50% of its registered capital. Such reserve funds cannot be distributed to us as dividends. At its discretion, a wholly foreign-owned enterprise may allocate a portion of its after-tax profits based on PRC accounting standards to an enterprise expansion fund, or a staff welfare and bonus fund. In addition, registered share capital and capital reserve accounts are also restricted from withdrawal in the PRC, up to the amount of net assets held in each operating subsidiary. As of March 31, 2022 and December 31, 2021, these restricted assets totaled $2,691.9 million and $799.6 million, respectively.

Our PRC subsidiaries generate primarily all of their revenue in RMB, which is not freely convertible into other currencies. As a result, any restriction on currency exchange may limit the ability of our PRC subsidiaries to use their RMB revenues to pay dividends to us.

In response to the persistent capital outflow in the PRC and RMB's depreciation against the U.S. dollar in the fourth quarter of 2016, the People's Bank of China (PBOC) and China's State Administration of Foreign Currency (SAFE) promulgated a series of capital control measures, including stricter vetting procedures for domestic companies to remit foreign currency for overseas investments, dividends payments and shareholder loan repayments.

The PRC government may continue to strengthen its capital controls, and more restrictions and substantial vetting process may be put forward by the SAFE for cross-border transactions falling under both the current account and the capital account. Any limitation on the ability of our PRC subsidiaries to pay dividends or make other kinds of payments to us could materially and adversely limit our ability to grow, make investments or acquisitions that could be beneficial to our business, pay dividends, or otherwise fund and conduct our business.

The PRC Enterprise Income Tax Law (the "EIT Law") and its implementation rules provide that China-sourced income of foreign enterprises, such as dividends paid by a PRC subsidiary to its equity holders that are non-PRC resident enterprises, will normally be subject to PRC withholding tax at a rate of 10%, unless any such foreign investor's jurisdiction of incorporation has a tax treaty with China that provides for a reduced withholding rate arrangement and such non-PRC resident enterprises constitute the beneficiary of such income.

Pursuant to an arrangement between Mainland China and the Hong Kong Special Administrative Region (the "Hong Kong Tax Treaty") and relevant tax regulations of the PRC, subject to certain conditions, a reduced withholding tax rate of 5% will be available for dividends from PRC entities provided that the recipient can demonstrate it is a Hong Kong tax resident and it is the beneficial owner of the dividends. The government adopted regulations in 2018 which stipulate that in determining whether a non-resident enterprise has the status as a beneficial owner, comprehensive analysis shall be conducted based on the factors listed therein and the actual circumstances of the specific case shall be taken into consideration. Specifically, it expressly excludes an agent or a designated payee from being considered as a "beneficial owner." We own the PRC subsidiaries through BeiGene HK. BeiGene HK currently does not hold a Hong Kong tax resident certificate from the Inland Revenue Department of Hong Kong, and there is no assurance that the reduced withholding tax rate will be available.

We may be treated as a resident enterprise for PRC tax purposes under the EIT Law and we may therefore be subject to PRC income tax on our worldwide taxable income. Dividends payable to foreign investors and gains on the sale of our ADSs or ordinary shares by our foreign investors may become subject to PRC tax.

Under the EIT Law, an enterprise established outside the PRC with "de facto management bodies" within the PRC is considered a "resident enterprise," meaning that it is treated in a manner similar to a Chinese enterprise for PRC enterprise income tax purposes. The implementing rules of the EIT Law define "de facto management bodies" as "management bodies that exercise substantial and overall management and control over the production and operations, personnel, accounting, and properties" of the enterprise. In addition, PRC regulations specify that certain Chinese-controlled offshore incorporated enterprises, defined as enterprises incorporated under the laws of foreign countries or territories and that have PRC enterprises or enterprise groups as their primary controlling shareholders, will be classified as resident enterprises if all of the following are located or resident in China: (i) senior management personnel and departments that are responsible for daily production, operation and management; (ii) financial and personnel decision-making bodies; (iii) key properties, accounting books, company seal, and minutes of board meetings and shareholders' meetings; and (iv) half or more of senior management or directors having voting rights.

Although BeiGene, Ltd. does not have a PRC enterprise or enterprise group as its primary controlling shareholder and is therefore not a Chinese-controlled offshore incorporated enterprise within the meaning of these regulations, in the absence of guidance specifically applicable to us, we have applied the guidance set forth in the regulations to evaluate the tax residence status of BeiGene, Ltd. and its subsidiaries organized outside of the PRC.

We are not aware of any offshore holding company with a corporate structure similar to ours that has been deemed a PRC "resident enterprise" by the PRC tax authorities. Accordingly, we do not believe that our company or any of our overseas subsidiaries should be treated as a PRC resident enterprise. However, the tax resident status of an enterprise is subject to determination by the PRC tax authorities and uncertainties remain with respect to the interpretation of the term "de facto management body." If the PRC tax authorities determine that our Cayman Islands holding company is a resident enterprise for PRC enterprise income tax purposes, a number of unfavorable PRC tax consequences could follow and we may be subject to enterprise income tax at a rate of 25% on our worldwide taxable income, as well as to PRC enterprise income tax reporting obligations. If we are deemed a PRC resident enterprise, dividends paid on our shares and any gain realized from the transfer of our ordinary shares may be treated as income derived from sources within the PRC. As a result, dividends paid to non-PRC resident enterprise ADS holders or shareholders may be subject to PRC withholding tax at a rate of 10% (or 20% in the case of non-PRC individual ADS holders or shareholders) and gains realized by non-PRC resident enterprises ADS holders or shareholders from the transfer of our ordinary shares or ADSs may be subject to PRC tax at a rate of 10% (or 20% in the case of non-PRC individual ADS holders or shareholders).

We and our shareholders face uncertainties with respect to indirect transfers of equity interests in PRC resident enterprises or other assets attributed to a PRC establishment of a non-PRC company, or other assets attributable to a PRC establishment of a non-PRC company.

Pursuant to Chinese regulations, an "indirect transfer" of "PRC taxable assets," including equity interests in a PRC resident enterprise, by non-PRC resident enterprises may be recharacterized and treated as a direct transfer of PRC taxable assets, if such arrangement does not have a reasonable commercial purpose and was established for the purpose of avoiding payment of PRC enterprise income tax. As a result, gains derived from such indirect transfer may be subject to PRC enterprise income tax. When determining whether there is a "reasonable commercial purpose" of the transaction arrangement, factors to be taken into consideration include: whether the main value of the equity interest of the relevant offshore enterprise derives from PRC taxable assets; whether the assets of the relevant offshore enterprise mainly consists of direct or indirect investment in the PRC or if its income mainly derives from the PRC; whether the offshore enterprise and its subsidiaries directly or indirectly holding PRC taxable assets have real commercial nature which is evidenced by their actual function and risk exposure; the duration of existence of the business model and organizational structure; the replicability of the transaction by direct transfer of PRC taxable assets; and the tax situation of such indirect transfer and applicable tax treaties or similar arrangements. In respect of an indirect offshore transfer of assets of a PRC establishment, the resulting gain is to be reported on with the enterprise income tax filing of the PRC establishment or place of business being transferred and would consequently be subject to PRC enterprise income tax at a rate of 25%. Where the underlying transfer relates to equity investments in a PRC resident enterprise, which is not related to a PRC establishment or place of business of a non-resident enterprise, a PRC enterprise income tax at the rate of 10% would apply, subject to available preferential tax treatment under applicable tax treaties or similar arrangements. Late payment of applicable tax will subject the transferor to default interest. Gains derived from the sale of shares by investors through a public stock exchange are not subject to the PRC enterprise income tax where such shares were acquired in a transaction through a public stock exchange. As such, the sale of the ADSs or ordinary shares on a public stock exchange will not be subject to PRC enterprise income tax. However, the sale of our ordinary shares or ADSs by a non-PRC resident enterprise outside a public stock exchange may be subject to PRC enterprise income tax under these regulations.

There are uncertainties as to the application of these regulations, which may be determined by the tax authorities to be applicable to sale of the shares of our offshore subsidiaries or investments where PRC taxable assets are involved. The transferors and transferees may be subject to the tax filing and withholding or tax payment obligation, while our PRC subsidiaries may be requested to assist in the filing. Furthermore, we, our non-resident enterprises and PRC subsidiaries may be required to spend valuable resources to comply with these regulations or to establish that we and our non-resident enterprises should not be taxed under these regulations, for our previous and future restructuring or disposal of shares of our offshore subsidiaries, which may have a material adverse effect on our financial condition and results of operations.

The PRC tax authorities have the discretion to make adjustments to the taxable capital gains based on the difference between the fair value of the taxable assets transferred and the cost of investment. If the PRC tax authorities make adjustments to the taxable income of the transactions under these regulations, our income tax costs associated with such potential acquisitions or disposals will increase, which may have an adverse effect on our financial condition and results of operations.

Restrictions on currency exchange may limit our ability to utilize our revenue effectively.

The PRC government imposes controls on the conversion of RMB into foreign currencies and, in certain cases, the remittance of currency out of the PRC. A portion of our revenue is denominated in RMB. Shortages in availability of foreign currency may restrict the ability of our PRC subsidiaries to remit sufficient foreign currency to our offshore entities for our offshore entities to pay dividends or make other payments or otherwise to satisfy our foreign currency denominated obligations. The RMB is currently convertible under the "current account," which includes dividends, trade and service-related foreign exchange transactions, but not under the "capital account," which includes foreign direct investment and loans, including loans we may secure from our onshore subsidiaries. Currently, our PRC subsidiaries may purchase foreign currency for settlement of "current account transactions," including payment of dividends to us, without the approval of SAFE by complying with certain procedural requirements. However, the relevant PRC governmental authorities may limit or eliminate our ability to purchase foreign currencies in the future for current account transactions. Since a portion of our revenue is denominated in RMB, any existing and future restrictions on currency exchange may limit our ability to utilize revenue generated in RMB to fund our business activities outside of the PRC or pay dividends in foreign currencies to holders of our ordinary shares and the ADSs. Foreign exchange transactions under the capital account remain subject to limitations and require approvals from, or registration with, SAFE and other relevant PRC governmental authorities or designated banks. This could affect our ability to obtain foreign currency through debt or equity financing for our subsidiaries.

Our business benefits from certain financial incentives and discretionary policies granted by local governments. Expiration of, or changes to, these incentives or policies would have an adverse effect on our results of operations.

Local governments in the PRC have granted certain financial incentives from time to time to our PRC subsidiaries as part of their efforts to encourage the development of local businesses. The timing, amount and criteria of government financial incentives are determined within the sole discretion of the local government authorities and cannot be predicted with certainty before we actually receive any financial incentive. We generally do not have the ability to influence local governments in making these decisions. Local governments may decide to reduce or eliminate incentives at any time. In addition, some of the government financial incentives are granted on a project basis and subject to the satisfaction of certain conditions, including compliance with the applicable financial incentive agreements and completion of the specific project therein. We cannot guarantee that we will satisfy all relevant conditions, and if we do so we may be deprived of the relevant incentives. We cannot assure you of the continued availability of the government incentives currently enjoyed by us. Any reduction or elimination of incentives would have an adverse effect on our results of operations.

Any failure to comply with PRC regulations regarding our employee equity plans and investments in offshore companies by PRC residents may subject the PRC plan participants and PRC-resident beneficial owners or us to fines and other legal or administrative sanctions.

We and our directors, executive officers and other employees who are PRC residents have participated in our employee equity plans. We are an overseas listed company, and therefore, we and our directors, executive officers and other employees who are PRC citizens or who have resided in the PRC for a continuous period of not less than one year and who have been granted restricted share units, restricted shares, options or other forms of equity incentives or rights to acquire equity are subject to the PRC regulations, according to which, employees, directors, supervisors and other management members participating in any share incentive plan of an overseas publicly listed company who are PRC citizens or who are non-PRC citizens residing in the PRC for a continuous period of not less than one year, subject to limited exceptions, are required to register with the SAFE through a domestic qualified agent, which could be a PRC subsidiary of such overseas listed company, and complete certain other procedures. We also face regulatory uncertainties that could restrict our ability to adopt additional equity incentive plans for our directors and employees under PRC law. Moreover, failure to comply with the various foreign exchange registration requirements could result in liability under PRC law for circumventing applicable foreign exchange restrictions.

The pharmaceutical industry in China is highly regulated, and such regulations are subject to change, which may affect approval and commercialization of our medicines and drug candidates.

A large portion of our business is conducted in China. The pharmaceutical industry in China is subject to comprehensive government regulation and supervision, encompassing the approval, registration, manufacturing, packaging, licensing and marketing of new medicines. In recent years, the regulatory framework in China for pharmaceutical companies has undergone significant changes, which we expect will continue. While we believe our strategies regarding research, development, manufacturing and commercialization in China are aligned with the Chinese government's policies, they may in the future diverge, requiring a change in our strategies. Any such change may result in increased compliance costs on our business or cause delays in or prevent the successful research, development, manufacturing or commercialization of our drug candidates or medicines in China and reduce the current benefits we believe are available to us from developing and manufacturing medicines in China.

Chinese authorities have become increasingly vigilant in enforcing laws affecting the pharmaceutical industry. Any failure by us or our partners to maintain compliance with applicable laws and regulations or obtain and maintain required licenses and permits may result in the suspension or termination of our business activities in China. Reports of what have come to be viewed as significant quality-control failures by Chinese vaccine manufacturers have led to enforcement actions against officials responsible for implementing national reforms favorable to innovative drugs (such as ours). While not directly affecting us, this macro-industry event could cause state or private resources to be diverted away from fostering innovation and be redirected toward regulatory enforcement, which could adversely affect our research, development, manufacturing and commercialization activities and increase our compliance costs.

Risks Related to Our American Depositary Shares and Ordinary Shares

The trading prices of our ordinary shares, ADSs and/or RMB Shares can be volatile, which could result in substantial losses to you.

The trading price of our ordinary shares, ADSs and/or RMB Shares can be volatile and fluctuate widely in response to a variety of factors, many of which are beyond our control. In addition, the performance and fluctuation of the market prices of other companies with significant business operations in China that have listed their securities in Hong Kong, Shanghai or the United States may affect the volatility in the price of and trading volumes for our ordinary shares, ADSs and/or RMB Shares. Some of these companies have experienced significant volatility.

In addition to market and industry factors, the price and trading volume for our ordinary shares, ADSs and/or RMB Shares may be highly volatile for various reasons, including: announcements of regulatory approval or a complete response letter, or specific label indications or patient populations for its use, or changes or delays in the regulatory review process; announcements of therapeutic innovations, new products, acquisitions, strategic relationships, joint ventures or capital commitments by us or our competitors; adverse actions taken by regulatory agencies with respect to our clinical trials, manufacturing supply chain or sales and marketing activities; any adverse changes to our relationship with manufacturers or suppliers; the results of our testing and clinical trials; the results of our efforts to acquire or license additional medicines or drug candidates; variations in the level of expenses related to our existing medicines and drug candidates or preclinical, clinical development and commercialization programs; any intellectual property infringement actions in which we may become involved; announcements concerning our competitors or the pharmaceutical industry in general; fluctuations in product revenue, sales and marketing expenses and profitability; manufacture, supply or distribution shortages; variations in our results of operations; announcements about our results of operations that are not in line with analyst expectations, the risk of which is enhanced because it is our policy not to give guidance on results of operations; publication of operating or industry metrics by third parties, including government statistical agencies, that differ from expectations of industry or financial analysts; changes in financial estimates by securities research analysts; media reports, whether or not true, about our business, our competitors or our industry; additions to or departures of our management; fluctuations of exchange rates between the RMB, the U.S. dollar and Hong Kong dollar; release or expiry of lock-up or other transfer restrictions on our outstanding ordinary shares, ADSs or RMB Shares; sales or perceived potential sales of additional ordinary shares, ADSs or RMB Shares by us, our executive officers and directors or our shareholders; general economic and market conditions and overall fluctuations in the United States, Hong Kong or Shanghai equity markets; changes in accounting principles; trade disputes or U.S.-China government relations; and changes or developments in the United States, PRC, EU or global regulatory environment.

In addition, the stock market, in general, and pharmaceutical and biotechnology companies, in particular, have experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of these companies. Broad market and industry factors may negatively affect the market price of our ordinary shares and/or ADSs, regardless of our actual operating performance. Further, volatility in the financial markets and related factors beyond our control may cause the ordinary share, ADS and/or RMB Share price to decline rapidly and unexpectedly.

The characteristics of capital markets in the United States, Hong Kong and Shanghai are different, which may cause volatility in the market price of the RMB Shares, Offshore Shares and/or ADSs.

Our ADSs are listed on the NASDAQ in the United States under the symbol "BGNE", our ordinary shares are listed on the HKEx in Hong Kong under the stock code "06160", and our RMB Shares are listed on the STAR Market in the PRC under the stock code "688235". Under current PRC laws and regulations, our ADSs and ordinary shares listed on the NASDAQ and the HKEx are not interchangeable or fungible with the RMB Shares listed on the STAR Market, and there is no trading or settlement between either the NASDAQ or the HKEx on the one hand, and the STAR Market on the other hand. The three markets have different trading hours, trading characteristics (including trading volume and liquidity), trading and listing rules, and investor bases (including different levels of retail and institutional participation). As a result of these major differences, the trading prices of our ordinary shares, ADSs and RMB Shares might not be the same, even allowing for currency differences. Fluctuations in the price of our ADSs due to circumstances peculiar to its home capital market could materially and adversely affect the price of the ordinary shares and/or RMB Shares, and vice versa. Because of the different characteristics of the U.S., Hong Kong and Shanghai equity markets, the historic market prices of our ADSs, ordinary shares and RMB Shares may not be indicative of the performance of our securities going forward.

We may be subject to securities litigation, which is expensive and could divert management attention.

Companies that have experienced volatility in the volume and market price of their shares have been subject to an increased incidence of securities class action litigation, particularly in our industry in recent years. We may be the target of this type of litigation in the future. Securities litigation against us could result in substantial costs and divert our management's attention from other business concerns, and, if adversely determined, could have a material adverse effect on our business, financial condition and results of operations.

****Future sales of our ordinary shares, ADSs and/or RMB Shares in the public market could cause the ordinary share, ADS and/or RMB Share price to fall.***

The price of our ordinary shares, ADSs and/or RMB Shares could decline as a result of sales of a large number of the ordinary shares, ADSs and/or RMB Shares or the perception that these sales could occur. These sales, or the possibility that these sales may occur, also might make it more difficult for us to sell equity securities in the future at a time and at a price that we deem appropriate.

As of April 30, 2022, 1,341,305,269 ordinary shares, par value $0.0001 per share, were outstanding, of which 969,428,629 ordinary shares were held in the form of 74,571,433 ADSs, each representing 13 ordinary shares, and 115,055,260 were RMB Shares.

We filed a registration statement on Form S-3 with the SEC on behalf of certain shareholders on May 11, 2020, registering 300,197,772 ordinary shares, including 224,861,338 ordinary shares in the form of 17,297,026 ADSs to be resold by the selling shareholders identified therein and in any related prospectus supplement from time to time. Furthermore, we have registered or plan to register the offer and sale of all securities that we have issued and may issue in the future under our equity compensation plans, including upon the exercise of share options and vesting of restricted share units and under our employee share purchase plan. If these additional securities are sold, or if it is perceived that they will be sold, in the public market, the trading price of our ordinary shares, ADSs and/or RMB Shares could decline. Amgen also has specified registration rights upon expiration of a lock-up period.

In addition, in the future, we may issue additional ordinary shares, ADSs, RMB Shares or other equity or debt securities convertible into ordinary shares, ADSs or RMB Shares in connection with a financing, acquisition, license, litigation settlement, employee arrangements or otherwise. Any such issuance could result in substantial dilution to our existing shareholders and could cause the ordinary share, ADS and/or RMB Share price to decline.

The triple listing of our ADSs, ordinary shares and RMB Shares may adversely affect the liquidity and value of our ADSs, ordinary shares and/or RMB Shares.

Our ADSs are traded on the NASDAQ, our existing ordinary shares maintained on our Cayman register in Cayman Islands and Hong Kong register in Hong Kong, are traded on the HKEx, and our RMB Shares are traded on the STAR Market. The triple listing of our ADSs, ordinary shares and RMB Shares may dilute the liquidity of these securities in one or all three markets and may adversely affect the maintenance of an active trading market for ADSs in the United States, the ordinary shares in Hong Kong, and/or the RMB Shares in the PRC. The price of our ADSs, ordinary shares and/or RMB Shares could also be adversely affected by trading of our securities on other markets. We may decide at some point in the future to delist our RMB Shares from the STAR Market, and our shareholders may approve such delisting. We cannot predict the effect such

delisting of our RMB Shares on the STAR Market would have on the market price of our ADSs on the NASDAQ or our ordinary shares on the HKEx.

We face increased regulatory scrutiny and compliance costs due to our listing on the STAR Market of the SSE.

We are subject to the applicable laws, rules and regulations governing public companies listed on the STAR Market in addition to the various laws, rules and regulations that we are subject to in the United States and Hong Kong. The listing and trading of our equity securities in multiple jurisdictions and multiple markets will lead to increased compliance obligations and costs for us, and we may face the risk of significant intervention by regulatory authorities in these jurisdictions and markets, such as inquiries, investigations, enforcement actions and other regulatory proceedings by regulatory authorities. In addition, we may be subject to securities litigation filed with the courts in China by the investors with respect to the RMB Shares traded on the STAR Market.

Because we do not expect to pay dividends in the foreseeable future, you must rely on price appreciation of the ordinary shares, ADSs and/or RMB Shares for return on your investment.

We intend to retain most, if not all, of our available funds and earnings to fund the development and growth of our business. As a result, we do not expect to pay any cash dividends in the foreseeable future. Therefore, you should not rely on an investment in the ordinary shares, ADSs and/or RMB Shares as a source for any future dividend income.

Our board of directors has significant discretion as to whether to distribute dividends. Even if our board of directors decides to declare and pay dividends, the timing, amount and form of future dividends, if any, will depend on, among other things, our future results of operations and cash flow, our capital requirements and surplus, the amount of distributions, if any, received by us from our subsidiaries, our financial condition, contractual and regulatory restrictions and other factors deemed relevant by our board of directors. Accordingly, the return on your investment in the ordinary shares, ADSs and/or RMB Shares will likely depend entirely upon any future price appreciation of the ordinary shares, ADSs and/or RMB Shares. There is no guarantee that the ordinary shares, ADSs and/or RMB Shares will appreciate in value or even maintain the price at which you purchased the ordinary shares, ADSs and/or RMB Shares. You may not realize a return on your investment in the ordinary shares, ADSs and/or RMB Shares and you may even lose your entire investment in the ordinary shares, ADSs and/or RMB Shares.

If securities or industry analysts do not continue to publish research or publish inaccurate or unfavorable research about our business, the market price for the ordinary shares, ADSs and/or RMB Shares and trading volume could decline.

The trading market for the ordinary shares, ADSs and RMB Shares relies in part on the research and reports that equity research analysts publish about us or our business. We do not control these analysts. If research analysts do not maintain adequate research coverage or if one or more of the analysts who covers us downgrades the ordinary shares, ADSs and/or RMB Shares or publishes inaccurate or unfavorable research about our business, the market price for the ordinary shares, ADSs and/or RMB Shares would likely decline. If one or more of these analysts cease coverage of our company or fail to publish reports on us regularly, we could lose visibility in the financial markets, which, in turn, could cause the market price or trading volume for the ordinary shares, ADSs and/or RMB Shares to decline significantly.

We are a Cayman Islands company. Because judicial precedent regarding the rights of shareholders is more limited under Cayman Islands law than under Hong Kong law, Chinese law or U.S. law, our shareholders may have fewer shareholder rights than they would have under Hong Kong law, Chinese law or U.S. law and may face difficulties in protecting their interests.

We are an exempted company with limited liability incorporated in the Cayman Islands. Our corporate affairs are governed by our amended and restated memorandum and articles of association (as may be further amended from time to time), the Companies Law (as amended) of the Cayman Islands, and the common law of the Cayman Islands. The rights of shareholders to take action against the directors, actions by minority shareholders and the fiduciary responsibilities of our directors are to a large extent governed by the common law of the Cayman Islands. This common law is derived in part from comparatively limited judicial precedent in the Cayman Islands as well as from English common law, which has persuasive, but not binding, authority on courts in the Cayman Islands. The rights of our shareholders and the fiduciary responsibilities of our directors under Cayman Islands law are not as clearly established as they would be under statutes or judicial precedent in some jurisdictions in Hong Kong, mainland China and the United States. In particular, the Cayman Islands has a less developed body of securities law than Hong Kong, mainland China or the United States. In addition, some states in the United States, such as Delaware, have more fully developed and judicially interpreted bodies of corporate law than the Cayman Islands.

In addition, as a Cayman Islands exempted company, our shareholders have no general rights under Cayman Islands law to inspect corporate records and accounts or to obtain copies of lists of shareholders, with the exception that shareholders may

request a copy of the current amended and restated memorandum and articles of association. Our directors have discretion under our amended and restated articles of association to determine whether or not, and under what conditions, our corporate records may be inspected by our shareholders, but are not obliged to make them available to our shareholders. This may make it more difficult for shareholders to obtain the information needed to establish facts necessary for a shareholder action or to solicit proxies from other shareholders in connection with a proxy contest. As a Cayman Islands company, we may not have standing to initiate a derivative action in a Hong Kong, mainland China or U.S. federal court. As a result, shareholders may be limited in their ability to protect their interests if they are harmed in a manner that would otherwise enable them to sue in a United States federal court. In addition, shareholders of Cayman Islands companies may not have standing to initiate a shareholder derivative action in Hong Kong, mainland China or U.S. federal courts.

Some of our directors and executive officers reside outside of Hong Kong and the United States and a substantial portion of their assets are located outside of Hong Kong and the United States. As a result, it may be difficult or impossible for shareholders to bring an action against us or against these individuals in Hong Kong or in the United States in the event that shareholders believe that their rights have been infringed under the securities laws of Hong Kong, the United States or otherwise. In addition, some of our directors and executive officers reside outside of China. To the extent our directors and executive officers reside outside of China or their assets are located outside of China, it may not be possible for investors to effect service of process upon us or our management inside China. Even if shareholders are successful in bringing an action, the laws of the Cayman Islands and China may render them unable to enforce a judgment against our assets or the assets of our directors and officers. There is no statutory recognition in the Cayman Islands of judgments obtained in the United States, Hong Kong or China, although the courts of the Cayman Islands will generally recognize and enforce a non-penal judgment of a foreign court of competent jurisdiction without retrial on the merits.

As a result of the above, shareholders may have more difficulty protecting their interests in the face of actions taken by management, members of the board of directors or controlling shareholders than they would as shareholders of a Hong Kong company, a Chinese company or a U.S. company.

Voting rights of our ADS holders are limited by the terms of the deposit agreement. The depositary for the ADSs will give us a discretionary proxy to vote our ordinary shares underlying our ADS holders ADSs if they do not vote at shareholders' meetings, except in limited circumstances, which could adversely affect their interests.

Holders of our ADSs may exercise their voting rights with respect to the ordinary shares underlying their ADSs only in accordance with the provisions of the deposit agreement. Upon receipt of voting instructions from ADS holders in the manner set forth in the deposit agreement, the depositary for the ADSs will endeavor to vote the holder's underlying ordinary shares in accordance with these instructions. Under our articles of association, the minimum notice period required for convening an annual general meeting is 21 calendar days and the minimum notice period required for convening an extraordinary general meeting is 14 calendar days. When a general meeting is convened, ADS holders may not receive sufficient notice of a shareholders' meeting to permit them to withdraw their ordinary shares to allow them to cast your vote with respect to any specific matter at the meeting. In addition, the depositary and its agents may not be able to send voting instructions to ADS holders or carry out their voting instructions in a timely manner. We will make reasonable efforts to cause the depositary to extend voting rights to our ADS holders in a timely manner, but they may not receive the voting materials in time to ensure that they can instruct the depositary to vote your shares.

Furthermore, the depositary and its agents will not be responsible for any failure to carry out any instructions to vote, for the manner in which any vote is cast or for the effect of any such vote. As a result, ADS holders may not be able to exercise their right to vote and they may lack recourse if the ordinary shares underlying their ADSs are not voted as they requested.

Under the deposit agreement for the ADSs, the depositary will give us a discretionary proxy to vote the ordinary shares underlying ADS holders' ADSs at shareholders' meetings if such holders do not give voting instructions to the depositary, unless:

- we have failed to timely provide the depositary with our notice of meeting and related voting materials;
- we have instructed the depositary that we do not wish a discretionary proxy to be given;
- we have informed the depositary that there is substantial opposition as to a matter to be voted on at the meeting; or
- a matter to be voted on at the meeting would have a material adverse impact on shareholders.

The effect of this discretionary proxy is that, if ADS holders fail to give voting instructions to the depositary, they cannot prevent the ordinary shares underlying their ADSs from being voted, absent the situations described above, and it may make it

more difficult for such ADS holders to influence our management. Holders of our ordinary shares are not subject to this discretionary proxy.

Anti-takeover provisions in our constitutional documents may discourage our acquisition by a third party, which could limit our shareholders' opportunity to sell their shares at a premium.

Our amended and restated memorandum and articles of association include provisions that could limit the ability of others to acquire control of our company, could modify our structure or could cause us to engage in change-of-control transactions. These provisions could have the effect of depriving our shareholders of an opportunity to sell their shares, at a premium over prevailing market prices by discouraging third parties from seeking to obtain control in a tender offer or similar transaction.

For example, our board of directors has the authority, without further action by our shareholders, to issue preferred shares in one or more series and to fix the powers and rights of these shares, including dividend rights, conversion rights, voting rights, terms of redemption and liquidation preferences, any or all of which may be greater than the rights associated with our ordinary shares. Preferred shares could thus be issued quickly with terms calculated to delay or prevent a change in control or make removal of management more difficult. In addition, if our board of directors authorizes the issuance of preferred shares, the market price of the ordinary shares and/or ADSs may fall and the voting and other rights of the holders of our ordinary shares and/or ADSs may be materially and adversely affected.

Furthermore, our amended and restated articles of association permit our directors to vary all or any of the rights attaching to any class of shares in issue without the consent of shareholders but only if such variation is considered by the directors not to have a material adverse effect upon such holders. The amended and restated articles of association provide that the holders must consent to any such material adverse changes in the manner set out therein.

Because our directors are divided into three classes with staggered terms of three years each, shareholders can only elect or remove a limited number of our directors in any given year. The length of these terms could present an obstacle to certain actions, such as a merger or other change of control, which could be in the interest of our shareholders.

Our amended and restated memorandum and articles of association designate specific courts as the sole and exclusive forum for certain types of actions and proceedings that may be initiated by our shareholders, which could limit our shareholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers or other employees.

Our amended and restated memorandum and articles of association provide that, unless we consent in writing to the selection of an alternative forum, the courts of Cayman Islands will be the sole and exclusive forum for any derivative action or proceeding brought on behalf of us, any action asserting a claim of breach of a fiduciary duty owed by any director, officer or other employee of us to us or our shareholders, any action asserting a claim arising pursuant to any provision of the Companies Law of the Cayman Islands as amended from time to time, or the amended and restated memorandum and articles of association, or any action asserting a claim governed by the internal affairs doctrine (as such concept is recognized under the U.S. laws). In connection with our offering and listing on the STAR Market, our shareholders approved the Sixth Amended and Restated Memorandum and Articles of Association, which became effective on December 15, 2021. The Sixth Amended and Restated Memorandum and Articles of Association provide that unless we consent in writing to the selection of an alternative forum, the federal district courts of the United States shall be the sole and exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act of 1933, as amended (the "Securities Act"). In addition, the Sixth Amended and Restated Memorandum and Articles of Association provide that any person or entity purchasing or otherwise acquiring any interest in any of our securities is deemed to have notice of and consented to these provisions; provided, however, that shareholders cannot and will not be deemed to have waived our compliance with the U.S. federal securities laws and rules and regulations thereunder.

These provisions may limit a shareholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers or other employees, which may discourage such lawsuits. Alternatively, if a court were to find these provisions of our amended and restated memorandum and articles of association inapplicable to, or unenforceable in respect of, one or more of the specified types of actions or proceedings, we may incur additional costs associated with resolving such matters in other jurisdictions.

Our amended and restated memorandum and articles of association provide that any shareholder bringing an unsuccessful action against us may be obligated to reimburse us for any costs we have incurred in connection with such unsuccessful action.

Our amended and restated memorandum and articles of association provide that under certain circumstances the fees, costs, and expenses that we incur in connection with actions or proceedings brought by any person or entity, which we refer to as claiming parties, may be shifted to such person or entity. If a claiming party asserts any claim; initiates any proceeding; or joins, offers substantial assistance to, or has a direct financial interest in any claim or proceeding against us, and such claiming party

or the third party that received substantial assistance from the claiming party or in whole claim the claiming party had a direct financial interest is unsuccessful in obtaining a judgment on the merits in which the claiming party prevails, then such claiming party shall (to the fullest extent permitted by law) be obligated to reimburse us for all fees, costs, and expenses, including but not limited to all reasonable attorneys' fees and other litigation expenses, that we may incur in connection with such claim or proceeding.

Fee-shifting articles are relatively new and untested in the Cayman Islands, the United States, Hong Kong and mainland China. The case law and potential legislative action on fee-shifting articles are evolving and there exists considerable uncertainty regarding the validity of, and potential judicial and legislative responses to, such articles. The application of our fee-shifting article in connection with claims under the Cayman Islands, the United States, Hong Kong or Chinese securities laws, if any, will depend in part on future developments of the law. We cannot assure you that we will or will not invoke our fee-shifting article in any particular dispute. Consistent with our directors' fiduciary duties to act in the best interests of the Company, the directors may in their sole discretion from time to time decide whether or not to enforce this article. In addition, given the unsettled state of the law related to fee-shifting articles, such as ours, we may incur significant additional costs associated with resolving disputes with respect to such articles, which could adversely affect our business and financial condition.

If a shareholder that brings any such claim or proceeding is unable to obtain the judgment sought, the attorneys' fees and other litigation expenses that might be shifted to a claiming party may be significant. This fee-shifting article, therefore, may dissuade or discourage current or former shareholders (and their attorneys) from initiating lawsuits or claims against us. In addition, it may impact the fees, contingency or otherwise, required by potential plaintiffs' attorneys to represent our shareholders or otherwise discourage plaintiffs' attorneys from representing our shareholders at all. As a result, this article may limit the ability of shareholders to affect the management and direction of our company, particularly through litigation or the threat of litigation.

Holders of ADSs may be subject to limitations on transfer of their ADSs.

ADSs are transferable only on the books of the depositary. However, the depositary may close its books at any time or from time to time when it deems expedient in connection with the performance of its duties. The depositary may refuse to deliver, transfer or register transfers of ADSs generally when our books or the books of the depositary are closed, or at any time if we or the depositary think it is advisable to do so because of any requirement of law, government or governmental body, or under any provision of the deposit agreement, as amended, or for any other reason, subject to ADS holders' right to cancel their ADSs and withdraw the underlying ordinary shares. Temporary delays in the cancellation of ADSs and withdrawal of the underlying ordinary shares may arise because the depositary has closed its transfer books or we have closed our transfer books, the transfer of ordinary shares is blocked to permit voting at a shareholders' meeting or we are paying a dividend on our ordinary shares.

In addition, holders of ADSs may not be able to cancel their ADSs and withdraw the underlying ordinary shares when they owe money for fees, taxes and similar charges and when it is necessary to prohibit withdrawals in order to comply with any laws or governmental regulations that apply to ADSs or to the withdrawal of ordinary shares or other deposited securities.

The depositary for the ADSs is entitled to charge holders fees for various services, including annual service fees.

The depositary for the ADSs is entitled to charge holders fees for various services, including for the issuance of ADSs upon deposit of ordinary shares, cancellation of ADSs, distributions of cash dividends or other cash distributions, distributions of ADSs pursuant to share dividends or other free share distributions, distributions of securities other than ADSs, and annual service fees. In the case of ADSs issued by the depositary into The Depository Trust Company (DTC), the fees will be charged by the DTC participant to the account of the applicable beneficial owner in accordance with the procedures and practices of the DTC participant as in effect at the time.

Dealings in ordinary shares registered in our Hong Kong register of members will be subject to Hong Kong stamp duty. There is uncertainty as to whether Hong Kong stamp duty will apply to the trading or conversion of the ADSs.

In connection with our Hong Kong public offering in 2018, we established a branch register of members in Hong Kong (the "Hong Kong share register"). Our ordinary shares that are traded on the HKEx, including those that may be converted from ADSs, are registered on the Hong Kong share register, and the trading of these ordinary shares on the HKEx are subject to Hong Kong stamp duty. To facilitate ADS to ordinary share conversion and trading between the Nasdaq and the HKEx, we moved a portion of our issued ordinary shares from our Cayman share register to our Hong Kong share register.

Under the Hong Kong Stamp Duty Ordinance, any person who effects a sale or purchase of Hong Kong stock, defined as stock the transfer of which is required to be registered in Hong Kong, is required to pay Hong Kong stamp duty. The stamp

duty is currently set at a total rate of 0.2% of the greater of the consideration for, or the value of, shares transferred, with 0.1% payable by each of the buyer and the seller.

To the best of our knowledge, Hong Kong stamp duty has not been levied in practice on the trading or conversion of ADSs of companies that are listed in both the United States and Hong Kong and that have maintained all or a portion of their ordinary shares, including ordinary shares underlying ADSs, in their Hong Kong share registers. However, it is unclear whether, as a matter of Hong Kong law, the trading or conversion of ADSs of these dual-listed companies constitutes a sale or purchase of the underlying Hong Kong registered ordinary shares that is subject to Hong Kong stamp duty. We advise investors to consult their own tax advisors on this matter. If Hong Kong stamp duty is determined by the competent authority to apply to the trading or conversion of the ADSs, the trading price and the value of your investment in our ADSs or ordinary shares may be affected.

Holders of ADSs may not receive distributions on our ordinary shares or any value for them if it is illegal or impractical to make them available.

The depositary of the ADSs has agreed to ADS holders the cash dividends or other distributions it or the custodian for the ADSs receives on our ordinary shares or other deposited securities after deducting its fees and expenses. ADS holders will receive these distributions in proportion to the number of our ordinary shares that their ADSs represent. However, the depositary is not responsible for making such payments or distributions if it is unlawful or impractical to make a distribution available to any holders of ADSs. For example, it would be unlawful to make a distribution to a holder of ADSs if it consists of securities that require registration under the Securities Act, but that are not properly registered or distributed pursuant to an applicable exemption from registration. The depositary is not responsible for making a distribution available to any holders of ADSs if any government approval or registration required for such distribution cannot be obtained after reasonable efforts made by the depositary. We have no obligation to take any other action to permit the distribution of the ADSs, ordinary shares, rights or anything else to holders of the ADSs. This means that holders of ADSs may not receive the distributions we make on our ordinary shares or any value for them if it is illegal or impractical for us to make them available to such holders. These restrictions may materially reduce the value of our ADSs.

Holders of ADSs may not be able to participate in rights offerings and may experience dilution of their holdings.

From time to time, we may distribute rights to our shareholders, including rights to acquire securities. Under the deposit agreement, the depositary will not distribute rights to holders of ADSs unless the distribution and sale of rights and the securities to which these rights relate are either exempt from registration under the Securities Act with respect to all holders of ADSs or are registered under the Securities Act. The depositary may, but is not required to, attempt to sell these undistributed rights to third parties and may allow the rights to lapse. We may be unable to establish an exemption from registration under the Securities Act, and we are under no obligation to file a registration statement with respect to these rights or underlying securities or to try to have a registration statement declared effective. Accordingly, holders of ADSs may be unable to participate in our rights offerings and may experience dilution of their holdings as a result.

****Our corporate actions are substantially controlled by our directors, executive officers and other principal shareholders, who can exert significant influence over important corporate matters, which may reduce the price of our ordinary shares, ADSs and/or RMB Shares and deprive shareholders of an opportunity to receive a premium for their ordinary shares, ADSs and/or RMB Shares.***

Our directors, executive officers and principal shareholders beneficially owned approximately 55% of our outstanding ordinary shares as of April 30, 2022. These shareholders, if acting together, could exert substantial influence over matters such as electing directors and approving material mergers, acquisitions or other business combination transactions. This concentration of ownership may also discourage, delay or prevent a change in control of our company, which could have the dual effect of depriving our shareholders of an opportunity to receive a premium for their shares as part of a sale of our company and reducing the price of our ordinary shares, ADSs and/or RMB Shares. These actions may be taken even if they are opposed by our other shareholders. In addition, these persons could divert business opportunities away from us to themselves or others.

We may be a passive foreign investment company in future taxable years, which may have adverse U.S. federal income tax consequences for U.S. shareholders.

A non-U.S. corporation will be classified as a "passive foreign investment company" (PFIC) for any taxable year if either (1) 75% or more of its gross income consists of certain types of passive income or (2) 50% or more of the average quarterly value of its assets during such year produce or are held for the production of passive income. Based upon the composition of our income and assets, we believe that we were not a PFIC for the taxable year ended December 31, 2021. Nevertheless, because our PFIC status must be determined annually with respect to each taxable year and will depend on the composition and character of our assets and income, including our use of proceeds from any equity offerings, and the value of our assets (which

may be determined, in part, by reference to the market value of our ADSs and ordinary shares, which may be volatile) over the course of such taxable year, we may be a PFIC in any taxable year. The determination of whether we will be or become a PFIC may also depend, in part, on how, and how quickly, we use our liquid assets and the cash raised in equity offerings. If we determine not to deploy significant amounts of cash for active purposes, our risk of being a PFIC may substantially increase. Because there are uncertainties in the application of the relevant rules and PFIC status is a factual determination made annually after the close of each taxable year, there can be no assurance that we will not be a PFIC for the current taxable year or any future taxable year. In addition, it is possible that the Internal Revenue Service may challenge our classification of certain income and assets as non-passive, which may result in our being or becoming a PFIC in the current or subsequent years.

If we are a PFIC for any taxable year during a U.S. shareholder's holding period of the ordinary shares or ADSs, then such U.S. shareholder may incur significantly increased United States income tax on gain recognized on the sale or other disposition of the ordinary shares or ADSs and on the receipt of distributions on the ordinary shares or ADSs to the extent such distribution is treated as an "excess distribution" under the United States federal income tax rules. In addition, such holders may be subject to burdensome reporting requirements.

Further, if we are classified as a PFIC for any year during which a U.S. shareholder holds our ordinary shares or ADSs, we generally will continue to be treated as a PFIC for all succeeding years during which such U.S. shareholder holds such ordinary shares or ADSs. Each U.S. shareholder should consult its tax advisor regarding the PFIC rules and the U.S. federal income tax consequences of the acquisition, ownership and disposition of the ordinary shares and ADSs.

If you are a "Ten Percent Shareholder," you may be subject to adverse U.S. federal income tax consequences if we are classified as a Controlled Foreign Corporation.

Each "Ten Percent Shareholder" (as defined below) in a non-U.S. corporation that is classified as a "controlled foreign corporation" (CFC), for U.S. federal income tax purposes is generally required to include in income for U.S. federal tax purposes such Ten Percent Shareholder's pro rata share of the CFC's "Subpart F income" and investment of earnings in U.S. property, even if the CFC has made no distributions to its shareholders. Each Ten Percent Shareholder is also required to include in gross income its "global intangible low-taxed income," which is determined by reference to the income of CFCs of which such Ten Percent Shareholder is a Ten Percent Shareholder. Ten Percent Shareholders that are corporations may be entitled to a deduction equal to the foreign portion of any dividend when a dividend is paid. A non-U.S. corporation will generally be classified as a CFC for U.S federal income tax purposes if Ten Percent Shareholders own in the aggregate, directly or indirectly, more than 50% of either the total combined voting power of all classes of stock of such corporation entitled to vote or of the total value of the stock of such corporation. A "Ten Percent Shareholder" is a U.S. person (as defined by the Internal Revenue Code of 1986, as amended), who owns or is considered to own 10% or more of the total combined voting power of all classes of stock entitled to vote of such corporation or 10% of the value of all classes of stock of such corporation. The determination of CFC status is complex and includes attribution rules, the application of which is not entirely certain.

Although we believe we are not a CFC now, we may become one or own interests in one in the future. Holders are urged to consult their own tax advisors with respect to our potential CFC status and the consequences thereof.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

None.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

Not applicable.

Item 6. Exhibits.

See the Exhibit Index below for a list of the exhibits filed as part of, or incorporated by reference into, this Quarterly Report, which Exhibit Index is incorporated herein by reference.

EXHIBIT INDEX

Exhibit No.	Exhibit Description	Filed/Furnished Herewith	Incorporated by Reference Herein from Form or Schedule	Filing Date	SEC File / Reg. Number
10.1†	Consulting Agreement, effective April 3, 2022, by and between BeiGene USA, Inc. and Jane Huang	X			
31.1	Certification of Principal Executive Officer Required Under Rule 13a-14(a) and 15d-14(a) of the Securities Exchange Act of 1934, as amended	X			
31.2	Certification of Principal Financial Officer Required Under Rule 13a-14(a) and 15d-14(a) of the Securities Exchange Act of 1934, as amended	X			
32.1*	Certification of Principal Executive Officer and Principal Financial Officer Required Under Rule 13a-14(b) of the Securities Exchange Act of 1934, as amended, and 18 U.S.C. §1350	X			
101.INS	XBRL Instance Document - The instance document does not appear in the interactive data file because its XBRL tags are embedded within the inline XBRL document				
101.SCH	Inline XBRL Taxonomy Extension Schema Document	X			
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document	X			
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document	X			
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document	X			
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document	X			
104	Cover Page Interactive Data File (formatted as inline XBRL with applicable taxonomy extension information contained in Exhibits 101.*)	X			

† Indicates a management contract or any compensatory plan, contract or arrangement.
* Furnished herewith.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

BEIGENE, LTD.

Date: May 9, 2022

By: /s/ John V. Oyler
John V. Oyler
Chief Executive Officer and Chairman
(Principal Executive Officer)

Date: May 9, 2022

By: /s/ Julia Wang
Julia Wang
Chief Financial Officer
(Principal Financial and Accounting Officer)

Exhibit 10.1

CONSULTING AGREEMENT

THIS CONSULTING AGREEMENT (the "**Agreement**") is made as of April 3, 2022 (the "**Effective Date**") by and between BeiGene USA, Inc., a Delaware corporation, with an address at 55 Cambridge Parkway, Suite 700W, Cambridge, MA 02142 ("**BeiGene**") and Jane Huang ("**Consultant**"). BeiGene desires to have the benefit of Consultant's knowledge and experience, and Consultant desires to provide services to BeiGene, all as provided in this Agreement. BeiGene and Consultant may individually or collectively, as the case may be, be referred to herein as the "**Party**" or "**Parties**."

1. **Services.** BeiGene retains Consultant, and Consultant agrees to provide consulting and advisory services to BeiGene as BeiGene may from time to time reasonably request (the "**Consulting Services**"), reasonable defined as: not to exceed 20 hours/month. The Consulting Services will run from April 3, 2022 to November 14, 2022, or until such date as set forth under Section 9. Any changes to the Consulting Services (and any related compensation adjustments) must be agreed to in writing between Consultant and BeiGene prior to implementation of the changes.

2. **Compensation.** As full consideration for Consulting Services provided under this Agreement, BeiGene agrees to provide Consultant with the benefit of vesting from April 3, 2022 through June 30, 2022 of BeiGene, Ltd. restricted stock units grants and option grants that Consultant was granted while an employee.

   (a) Notwithstanding the terms of the BeiGene, Ltd. 2016 Share Option and Equity Incentive Plan and terms of the award agreement(s) thereunder (collectively, the "**2016 Plan**"), the share options and restricted stock units granted by BeiGene, Ltd. to the Consultant during her employment (the "**Option Grants**") shall continue to vest according to the original vesting schedule through the date of June 30,2022 as stated above.

   (b) Notwithstanding the terms of the 2016 Plan and award agreement(s) thereunder, the exercise period of the vested options held by the Consultant shall be extended to 90 days after the Consultant ceases to provide Consulting Services to the Company or its subsidiaries under this Agreement (end of Consulting Services is November 14, 2022).

   (c) For clarity, except as set forth in (a) and (b) above, all other unvested equity grants held by the Consultant shall terminate immediately as of June 30, 2022 in accordance with the terms of the 2016 Plan as applicable.

   Consultant agrees that this will fully compensate her for all Consulting Services. BeiGene will further reimburse any business-related expenses.

3. **Performance.**

   (a) Consultant agrees to provide the Consulting Services to BeiGene, or to its designee: (i) in accordance with all applicable laws, rules, guidelines, and regulations in effect and as amended from time to time, including but not limited to, the Federal Food, Drug, and Cosmetic Act and its implementing regulations, federal and state anti-kickback laws, including the Federal Anti-Kickback Statute, the Federal False Claims Act, and any regulatory safe harbors promulgated thereunder, privacy and data security laws, consumer protection statutes, and anti-bribery laws and (ii) to the highest degree of professional standards.

   (b) In addition, Consultant will comply with all BeiGene policies and procedures that have been communicated to Consultant regarding access to and permitted conduct at BeiGene's or its affiliate's premises. Consultant shall have the authority to determine the manner and means by which the Consulting Services are to be performed and shall not be under the direct supervision of any BeiGene employee. Consultant hereby represents and warrants that Consultant has not been, and is not under consideration to be: (i) debarred from providing services pursuant to Section 306 of the United States Federal Food Drug and Cosmetic Act, 21 U.S.C. § 335a; (ii) excluded, debarred, or suspended from, or otherwise ineligible to participate in, any federal or state health care program, or federal procurement or non-procurement programs (as that term is defined in 42 U.S.C. § 1320a-7b(f)) (collectively, "**Debarred**"); (iii) disqualified by any government or regulatory agencies from performing specific services, and is not subject to a pending disqualification

proceeding; or (iv) convicted of a criminal offense related to the provision of health care items or services, or under investigation or subject to any such action that is pending.

(c) In the event that Consultant (i) becomes so Debarred, disqualified, or convicted or (ii) receives notice of an action or threat of action that might lead to being Debarred, disqualified, or convicted, Consultant shall notify BeiGene immediately. Upon the receipt of such notice by BeiGene, or if BeiGene otherwise becomes aware of such debarment, disqualification, or conviction, or threats thereof, BeiGene shall have the right to terminate this Agreement immediately.

4. **Compliance with Obligations to Third Parties.** Consultant hereby represents and warrants to BeiGene that the terms of this Agreement and Consultant's performance of Consulting Services do not and will not conflict with any of Consultant's obligations to any third parties. Consultant agrees not to use any trade secrets or other confidential information of any other person, firm, corporation, institution or other third party in connection with any of the Consulting Services. If Consultant is an employee of another company or institution, Consultant represents and warrants that Consultant is permitted to enter into this Agreement pursuant to such company's or institution's policies concerning professional consulting and additional workload. Consultant agrees not to make any use of any funds, space, personnel, facilities, equipment, or other resources of a third party in performing the Consulting Services, nor take any other action that would result in a third party asserting ownership of, or other rights in, any Work Product (defined in Section 5), unless agreed upon in writing in advance by BeiGene.

5. **Work Product.** Consultant agrees that all inventions, discoveries, improvements, ideas, concepts, designs, processes, formulations, products, computer programs, works of authorship, databases, mask works, trade secrets, know-how, information, data, documentation, reports, research, creations, and other products arising from or made in the performance of (solely or jointly with others) the Consulting Services (whether or not patentable or subject to copyright or trade secret protection) (collectively, the "**Work Product**") shall be the exclusive property of BeiGene throughout the world in perpetuity, and BeiGene is the sole exclusive worldwide perpetual owner of all right, title and interest therein and thereto (including, without limitation, all copyrights and all renewals and extensions thereof). Consultant hereby irrevocably assigns, transfers, and conveys to BeiGene, exclusively and perpetually, all right, title, and interest throughout the world which Consultant has or may be deemed to have in the Work Product, including, without limitation, all copyrights, patents, and the right to secure registrations, renewals, reissues, and extensions thereof. Without limitation, and notwithstanding anything to the contrary, BeiGene is the exclusive worldwide perpetual owner of all rights of whatever kind or nature in and to the Consultant Services, including, without limitation, the exclusive, worldwide right in perpetuity to publish, display, broadcast, transmit, manufacture, duplicate, exhibit, distribute, exploit, and dispose of the Work Product. Consultant hereby expressly waives and agrees not to assert any so-called "moral rights" and rights of reproduction in and to the Work Product thereof pursuant to Section 982 of the California Civil Code or pursuant to any similar laws, regulations, or statutes whatsoever. No rights of any kind in or to the Work Product are reserved to or by Consultant or shall revert to or be reserved by or on behalf of Consultant. Consultant agrees to execute such further documents and to do such further acts as may be reasonably necessary to perfect, register, evidence, or enforce BeiGene's ownership of any such rights. Consultant hereby appoints BeiGene as Consultant's attorney-in-fact (this appointment being irrevocable and coupled with an interest) to execute such documents on Consultant's behalf.

6. **Confidentiality.**

(a) "**Confidential Information**" means: (i) any scientific, technical, business, or financial information or trade secrets in whatever form (written, oral or visual) that is furnished or made available to Consultant by or on behalf of BeiGene or its Affiliate, (ii) all information contained in or comprised of BeiGene Materials (defined in Section 7); (iii) all Work Product; (iv) Personal Data (as defined below) of BeiGene personnel. Confidential Information is, and will remain, the sole property of BeiGene.

(b) During the Term (as defined in Section 9) and thereafter, Consultant agrees to: (i) hold in confidence all Confidential Information, and not disclose Confidential Information without the prior written consent of BeiGene; (ii) use Confidential Information solely in connection with the Consulting Services; (iii) treat Confidential Information with no less than a reasonable degree of care; (iv) reproduce Confidential Information solely to the extent necessary to provide the Consulting Services, with all such reproductions being considered Confidential Information; and (v) notify BeiGene of any unauthorized disclosure of Confidential Information promptly upon becoming aware

of such disclosure. Notwithstanding the foregoing, the non-disclosure and non-use obligations imposed by this Agreement with respect to trade secrets included in the Confidential Information will continue for as long as BeiGene continues to treat such Confidential Information as a trade secret.

(c) Consultant's obligations of non-disclosure and non-use under this Agreement will not apply to any portion of Confidential Information that Consultant can demonstrate, by competent proof:

i. is generally known to the public at the time of disclosure or becomes generally known through no wrongful act on the part of Consultant;

ii. is in Consultant's possession at the time of disclosure other than as a result of Consultant's breach of any legal obligation;

iii. becomes known to Consultant on a non-confidential basis through disclosure by sources other than BeiGene having the legal right to disclose such Confidential Information; or

iv. is independently developed by Consultant without use of, reference to, or reliance upon Confidential Information.

(d) If Consultant is required by a governmental authority or by order of a court of competent jurisdiction to disclose any Confidential Information, Consultant will give BeiGene prompt written notice thereof and Consultant will take all reasonable and lawful actions to avoid or minimize the degree of such disclosure. Consultant will cooperate reasonably with BeiGene in any efforts to seek a protective order.

(e) BeiGene provides notice to Consultant that pursuant to the United States Defend Trade Secrets Act of 2016:

i. An individual will not be held criminally or civilly liable under any United States federal or state trade secret law for the disclosure of a trade secret that is made (A) in confidence to a federal, state, or local government official, or to an attorney, and solely for the purpose of reporting or investigating a suspected violation of law; or (B) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal; and

ii. An individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to the attorney of the individual and use the trade secret information in the court proceeding, if the individual (A) files any document containing the trade secret under seal; and (B) does not disclose the trade secret, except pursuant to court order.

7. **BeiGene Materials.** All documents, data, records, materials, compounds, apparatus, equipment, and other physical property furnished or made available by or on behalf of BeiGene to Consultant in connection with this Agreement ("**BeiGene Materials**") are and will remain the sole property of BeiGene, with the exception of the phone that was provided to the consultant and can be transferred to the consultant. Consultant will use BeiGene Materials only as necessary to perform the Consulting Services and will not transfer or make available to any third party the BeiGene Materials without the express prior written consent of BeiGene. Consultant will return to BeiGene any and all BeiGene Materials upon request.

8. **Publication; Publicity.** Consultant may not publish or refer to Work Product, in whole or in part, without the prior express written consent of BeiGene. Consultant will not use the name, logo, trade name, service mark, or trademark, or any simulation, abbreviation, or adaptation of same, or the name of BeiGene or any of its affiliates for publicity, promotion, or other uses without BeiGene's prior written consent.

9. **Expiration/Termination.** The term of this Agreement will commence and expire as set forth under Section 1, unless sooner terminated pursuant to the provisions of this Section 9 or extended by mutual written agreement of the Parties (the "**Term**"). BeiGene may terminate this Agreement at any time with or without cause upon not less than ten (10) days' prior written notice to Consultant. Consultant may terminate this Agreement at any time with or without cause upon not less than sixty (60) days' prior written notice to BeiGene. Any expiration or termination of this Agreement shall be without prejudice to any obligation of either Party that has accrued prior to the effective date of expiration or termination. Upon expiration or termination of this Agreement, neither Consultant nor BeiGene will have any further obligations under this

Agreement, except that (i) Consultant will terminate all Consulting Services in progress in an orderly manner as soon as practicable and in accordance with a schedule agreed to by BeiGene, unless BeiGene specifies in the notice of termination that Consulting Services in progress should be completed; (ii) Consultant will deliver to BeiGene all Work Product made through expiration or termination; (iii) BeiGene will pay Consultant any monies due and owing Consultant, up to the time of termination or expiration, for Consulting Services properly performed and all authorized, non-cancelable expenses actually incurred that cannot be mitigated; (iv) Consultant will immediately return to BeiGene all BeiGene Materials and other Confidential Information and copies thereof provided to Consultant under this Agreement; and (v) the terms, conditions, and obligations under Sections 3, 5, 6, 7, 8, 9, 10 and 11, and all other sections which by their nature shall survive expiration or termination of this Agreement, will survive expiration or termination of this Agreement.

10. In connection with the Consulting Services, Consultant may receive, have access to or otherwise process "Personal Data," or information that relates to an identified or identifiable natural person or is otherwise subject to data protection laws. Consultant agrees to process and protect any Personal Data and other Confidential Information in compliance with all applicable laws, as well as any instructions given by BeiGene for the processing of Personal Data. Consultant acknowledges that they have given no consideration (monetary or otherwise) for any disclosure or transfer of Personal Data from BeiGene to Consultant. BeiGene shall provide and Consultant shall use any such Personal Data for the sole purpose of facilitating the Consulting Services. Consultant shall notify BeiGene at privacy@beigene.com within three (3) business days of any request or notification from (i) a government authority or other entity or (ii) individual that may impact Personal Data. If Consulting Services involve the processing of sensitive Personal Data (such as any health data) or more significant amounts of Personal Data than anticipated as of the Effective Date, the Parties agree to negotiate additional contractual provisions in good faith to facilitate compliance with data protection laws and BeiGene's data protection standards.

If Consultant is a California resident or otherwise covered by the California Consumer Privacy Act of 2018, notice is hereby given that BeiGene's California Privacy Notice for Consultants and Contractors is posted at https://www.beigene.com/privacy-policy. Consultant shall provide this website link to all other individuals who may provide Consulting Services under this Agreement.

11. **Indemnification.**

(a) **By Consultant**. Consultant shall indemnify, defend, and hold BeiGene, its affiliates officers, directors, agents, and employees ("**BeiGene Indemnitees**") harmless from any and all liabilities, losses, damages, or expenses of any kind, including costs and reasonable attorneys' fees (collectively, "**Losses**") arising out of or resulting from any third-party suits, proceedings, actions, claims, or demands (collectively, "**Claims**") to the extent such Claims arise out of or result from: (i) any negligent or willful acts or omissions by Consultant; (ii) Consultant's failure to comply with applicable law; or (iii) any material breach of this Agreement by Consultant. Notwithstanding the foregoing, Consultant will not be obligated to indemnify any BeiGene Indemnitee to the extent that the applicable Claim is within the scope of BeiGene's indemnification obligations under Section 11(b) (Indemnification by BeiGene).

(b) **By BeiGene**. BeiGene shall indemnify, defend, and hold Consultant harmless from any and all Losses arising out of or resulting from Claims to the extent such Claims arise out of or result from: (i) any negligent or willful acts or omissions by BeiGene; (ii) BeiGene's failure to comply with applicable law; or (iii) any material breach of this Agreement by BeiGene. Notwithstanding the foregoing, BeiGene will not be obligated to indemnify Consultant to the extent that the applicable Claim is within the scope of Consultant's indemnification obligations under Section 11(a) (Indemnification by Consultant).

12. **Miscellaneous.**

(a) **Adverse Event Reporting.** In the event Consultant becomes aware of an adverse event, adverse drug reaction, and/or a product complaint pertaining to a BeiGene product, Consultant shall inform BeiGene's Safety Operations Group within 24 hours of first awareness via adverse_events@beigene.com and/or productcomplaints@beigene.com, in accordance with BeiGene's SOPs.

(b) **Independent Contractor.** The Parties understand and agree that Consultant is an independent contractor and not an agent or employee of BeiGene. Consultant has no authority to obligate

BeiGene by contract or otherwise. Consultant will not be eligible for any employee benefits of BeiGene and expressly waives any rights to any employee benefits, including any form of equity compensation. Consultant acknowledges that Consultant is not relying upon or seeking BeiGene benefits and the existence of such benefits is not the reason for Consultant to enter into this Agreement. Consultant will bear sole responsibility for paying and reporting Consultant's own applicable federal and state income taxes, social security taxes, unemployment insurance, workers' compensation, and health or disability insurance, retirement benefits, and other welfare or pension benefits, if any, and indemnifies and holds BeiGene harmless from and against any liability with respect to such taxes, benefits and other matters.

(c) **Use of Name.** Consultant consents to the use by BeiGene of Consultant's name on its website, in press releases, company brochures, offering documents, presentations, reports or other documents in printed or electronic form, and any documents filed with or submitted to any governmental or regulatory agency or any securities exchange or listing entity; provided, that such materials or presentations accurately describe the nature of Consultant's relationship with or contribution to BeiGene.

(d) **Entire Agreement.** This Agreement contains the entire agreement of the Parties with regard to its subject matter and supersedes all prior or contemporaneous written or oral representations, agreements and understandings between the Parties relating to that subject matter. This Agreement may be changed only by a writing signed by Consultant and an authorized representative of BeiGene.

(e) **Certain Disclosures and Transparency**. Consultant acknowledges that BeiGene and its affiliates are required to abide by federal and state disclosure laws and certain transparency policies governing their activities including providing reports to the government and to the public concerning financial or other relationships with healthcare providers. Consultant agrees that BeiGene and its affiliates may, in their sole discretion, disclose information about this Agreement and about Consultant's Consulting Services including those relating to healthcare providers and any compensation paid to healthcare providers pursuant to this Agreement. Consultant agrees to promptly supply information reasonably requested by BeiGene for disclosure purposes. To the extent that Consultant is independently obligated to disclose specific information concerning the Consulting Services relating to healthcare providers and compensation paid to healthcare providers pursuant to this Agreement, Consultant will make timely and accurate required disclosures.

(f) **Assignment and Binding Effect.** Consultant may not assign or transfer this Agreement or any of Consultant's rights or obligations hereunder. In no event will Consultant assign or delegate responsibility for actual performance of the Consulting Services to any third party without BeiGene's prior written consent, which shall not be unreasonably withheld. BeiGene may transfer or assign this Agreement, in whole or in part, without the prior written consent of Consultant. Any purported assignment or transfer in violation of this Section is void. This Agreement will be binding upon and inure to the benefit of the Parties and their respective legal representatives, heirs, successors and permitted assigns.

(g) **Notices.** All notices required or permitted under this Agreement must be in writing and must be given by directing the notice to the address for the receiving Party set forth in this Agreement or at such other address as the receiving Party may specify in writing under this procedure. Notices to BeiGene will be marked "Attention: General Counsel, BeiGene, Ltd. c/o BeiGene USA, Inc., 55 Cambridge Parkway, Suite 700W, Cambridge, MA 02142 USA," with a copy to legalnotices@beigene.com. All notices must be given (i) by personal delivery, with receipt acknowledged, (ii) by prepaid certified or registered mail, return receipt requested, or (iii) by prepaid recognized next business day delivery service. Notices will be effective upon receipt or at a later date stated in the notice.

(h) **Governing Law.** This Agreement and any disputes relating to or arising out of this Agreement will be governed by, construed, and interpreted in accordance with the internal laws of the state in which you are engaged to work (the "**Governing State**"), without regard to any choice of law principle that would require the application of the law of another jurisdiction. The Parties agree to submit to the exclusive jurisdiction of the state and federal courts located in the Governing State and waive any defense of inconvenient forum to the maintenance of any action or proceeding in such courts. In any claim under this Agreement, Consultant waives its right to a jury trial, to the extent permissible by law.

(i) **Severability; Reformation.** Each provision in this Agreement is independent and severable from the others, and no provision will be rendered unenforceable because any other provision is found by a proper authority to be invalid or unenforceable in whole or in part. If any provision of this Agreement is found by such an authority to be invalid or unenforceable in whole or in part, such provision shall be changed and interpreted so as to best accomplish the objectives of such unenforceable or invalid provision and the intent of the Parties, within the limits of applicable law.

(j) **No Strict Construction; Headings.** This Agreement has been prepared jointly and will not be strictly construed against either Party. The section headings are included solely for convenience of reference and will not control or affect the meaning or interpretation of any of the provisions of this Agreement.

(k) **Waivers.** Any delay in enforcing a Party's rights under this Agreement, or any waiver as to a particular default or other matter, will not constitute a waiver of such Party's rights to the future enforcement of its rights under this Agreement, except with respect to an express written waiver relating to a particular matter for a particular period of time signed by Consultant and an authorized representative of the waiving Party, as applicable.

(l) **Remedies.** Consultant agrees that: (i) BeiGene may be irreparably injured by a breach of this Agreement by Consultant; (ii) money damages would not be an adequate remedy for any such breach; (iii) as a remedy for any such breach BeiGene will be entitled to seek equitable relief, including injunctive relief and specific performance, without being required by Consultant to post a bond; and (iv) such remedy will not be the exclusive remedy for any breach of this Agreement.

(m) **Counterparts.** This Agreement may be executed in any number of counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument. A portable document format (".pdf") copy of this Agreement, including the signature pages, will be deemed an original.

The Parties have executed this Agreement.

BEIGENE USA, INC.

By: /s/ Graham Hardiman

Name: Graham Hardiman

Title: Senior Vice President, Head of Global Human Resources

Date: 3/2/2022

JANE HUANG

By: /s/ Jane Huang

Name: Jane Huang

Date: 3/2/2022

Exhibit 31.1

CERTIFICATIONS UNDER SECTION 302

I, John V. Oyler, certify that:

1. I have reviewed this quarterly report on Form 10-Q of BeiGene, Ltd.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 9, 2022

/s/ JOHN V. OYLER

John V. Oyler
Chief Executive Officer and Chairman
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATIONS UNDER SECTION 302

I, Julia Wang, certify that:

1. I have reviewed this quarterly report on Form 10-Q of BeiGene, Ltd.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 9, 2022

/s/ JULIA WANG

Julia Wang
Chief Financial Officer
(Principal Financial and Accounting Officer)

Exhibit 32.1

CERTIFICATIONS UNDER SECTION 906

Pursuant to section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of section 1350, chapter 63 of title 18, United States Code), each of the undersigned officers of BeiGene, Ltd., an exempted company incorporated in the Cayman Islands with limited liability (the "Company"), does hereby certify, to such officer's knowledge, that:

The Quarterly Report on Form 10-Q for the three months ended March 31, 2022 (the "Form 10-Q") of the Company fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, and the information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 9, 2022

/s/ JOHN V. OYLER

John V. Oyler
Chief Executive Officer and Chairman
(Principal Executive Officer)

Date: May 9, 2022

/s/ JULIA WANG

Julia Wang
Chief Financial Officer
(Principal Financial and Accounting Officer)