创胜集团
TRANSCENTA

Transcenta Holding Limited
創勝集團醫藥有限公司

(registered by way of continuation in the Cayman Islands with limited liability)

Stock Code: 6628

2024
INTERIM REPORT

CONTENTS

Corporate Information

BOARD OF DIRECTORS

Executive Directors

Dr. Xueming Qian (錢雪明)
(Chief Executive Officer and Chairman)
Mr. Xiaolu Weng (翁曉路) *(Chief Financial Officer)*
(Resigned with effect from April 30, 2024)

Non-Executive Director

Dr. Yining Zhao (趙奕寧) *(Chairman of the Board)*
(Resigned with effect from June 7, 2024)
Dr. Li Xu (徐莉)
(Appointed with effect from August 28, 2024)

Independent Non-Executive Directors

Mr. Jiasong Tang (唐稼松)
Mr. Zhihua Zhang (張志華)
Dr. Kumar Srinivasan
Ms. Helen Wei Chen (陳瑋)

AUDIT COMMITTEE

Mr. Jiasong Tang (唐稼松) *(Chairperson)*
Dr. Yining Zhao (趙奕寧)
(Resigned with effect from June 7, 2024)
Mr. Zhihua Zhang (張志華)
Dr. Li Xu (徐莉)
(Appointed with effect from August 28, 2024)

REMUNERATION COMMITTEE

Mr. Jiasong Tang (唐稼松)
Mr. Zhihua Zhang (張志華)
Dr. Kumar Srinivasan *(Chairperson)*

NOMINATION COMMITTEE

Mr. Zhihua Zhang (張志華) *(Chairperson)*
Dr. Xueming Qian (錢雪明)
Dr. Kumar Srinivasan
Ms. Helen Wei Chen (陳瑋)

COMPANY SECRETARY

Ms. Leung Kwan Wai (梁君慧)
(Associate of The Chartered Governance Institute, Associate of The Hong Kong Chartered Governance Institute)

AUTHORISED REPRESENTATIVES

Dr. Xueming Qian (錢雪明)
Ms. Leung Kwan Wai (梁君慧)

AUDITOR

Deloitte Touche Tohmatsu
Certified Public Accountants
35/F, One Pacific Place
88 Queensway
Hong Kong

REGISTERED OFFICE

Walkers Corporate Limited
190 Elgin Avenue, George Town
Grand Cayman KY1-9008
Cayman Islands

HEADQUARTERS

B6-501, 218 Xinghu Street
Biobay
Suzhou 215123
China

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

5/F, Manulife Place
348 Kwun Tong Road
Kowloon, Hong Kong

Corporate Information

LEGAL ADVISORS

As to Hong Kong law and United States law
Skadden, Arps, Slate, Meagher & Flom
42/F, Edinburgh Tower
The Landmark
15 Queen's Road Central
Hong Kong

As to PRC law
Zhong Lun Law Firm
6/10/11/16/17F, Two IFC, 8 Century Avenue
Pudong New Area
Shanghai
PRC

As to Cayman Islands law
Walkers (Hong Kong)
15/F, Alexandra House
18 Chater Road
Central
Hong Kong

COMPLIANCE ADVISOR

Anglo Chinese Corporate Finance, Limited
40/F, Two Exchange Square
8 Connaught Place
Central
Hong Kong

PRINCIPAL SHARE REGISTRAR

Walkers Corporate Limited
190 Elgin Avenue, George Town
Grand Cayman, KY1-9008
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR

Tricor Investor Services Limited
17/F
Far East Finance Centre
16 Harcourt Road
Hong Kong

PRINCIPAL BANKS

The Hongkong and Shanghai Banking Corporation Limited
Level 10, HSBC Main Building
1 Queen's Road Central
Hong Kong

China Construction Bank, Suzhou Branch
No. 158 Wangdun Road, Wuzhong District
Suzhou City, Jiangsu Province
China

STOCK CODE

6628

COMPANY WEBSITE

http://www.transcenta.com/

Financial Highlights

International Financial Reporting Standards Measures:

- **Revenue** decreased from RMB36.1 million for the six months ended June 30, 2023 to RMB4.6 million for the six months ended June 30, 2024, primarily attributable to the decrease in CDMO services.
- **Other income** decreased by RMB8.0 million from RMB17.6 million for the six months ended June 30, 2023 to RMB9.6 million for the six months ended June 30, 2024, primarily due to the decrease in interest income during the six months ended June 30, 2024.
- **Other gains and losses** decreased by RMB8.3 million from a gain of RMB9.3 million for the six months ended June 30, 2023 to a gain of RMB1.0 million for the six months ended June 30, 2024, primarily attributable to difference in net foreign exchange gain.
- **Research and development expenses** decreased by RMB104.9 million from RMB207.9 million for the six months ended June 30, 2023 to RMB103.0 million for the six months ended June 30, 2024, primarily attributable to key pipeline development and resource reprioritization.
- **Administrative and selling expenses** decreased by RMB26.6 million from RMB58.0 million for the six months ended June 30, 2023 to RMB31.4 million for the six months ended June 30, 2024, primarily attributable to the decrease in personnel cost and professional services.
- As a result of the above factors, **loss and total comprehensive expenses for the period** decreased by RMB110.1 million from RMB245.3 million for the six months ended June 30, 2023 to RMB135.2 million for the six months ended June 30, 2024, primarily attributable to reprioritization in R&D investment related to our key pipeline and the decrease in personnel cost and professional services.

Non-International Financial Reporting Standards ("Non-IFRS") Measures:

- **Revenue** decreased from RMB36.1 million for the six months ended June 30, 2023 to RMB4.6 million for the six months ended June 30, 2024, primarily attributable to the decrease in CDMO services.
- **Other income** decreased by RMB8.0 million from RMB17.6 million for the six months ended June 30, 2023 to RMB9.6 million for the six months ended June 30, 2024, primarily attributable to the decrease in interest income during the six months ended June 30, 2024.
- **Research and development expenses** excluding the share-based payment expenses decreased by RMB108.4 million from RMB203.9 million for the six months ended June 30, 2023 to RMB95.5 million for the six months ended June 30, 2024, primarily attributable to our key pipeline development and resource reprioritization.
- **Administrative and selling expenses** excluding the share-based payment expenses decreased by RMB22.6 million from RMB48.7 million for the six months ended June 30, 2023 to RMB26.1 million for the six months ended June 30, 2024, primarily attributable to the decrease in personnel cost and professional services.
- **Adjusted loss and total comprehensive expenses for the period** excluding the effect of share-based payment expenses decreased by RMB109.6 million from RMB232.0 million for the six months ended June 30, 2023 to RMB122.4 million for the six months ended June 30, 2024, primarily due to reprioritization in R&D investment related to our key pipeline and the decrease in personnel cost and professional services.

Business Highlights

In the first half of 2024, the Company continued to accelerate clinical progress across both the oncology and non-oncology pipelines.

For our lead oncology asset, the Claudin18.2-targeting antibody osemitamab (TST001), we have reached key milestones for the treatment of gastric or gastroesophageal junction (G/GEJ) cancer. We published the encouraging Phase II data of osemitamab (TST001) in combination with checkpoint inhibitor and standard chemotherapy as first-line treatment of G/GEJ cancer at American Society of Clinical Oncology annual meeting (ASCO) 2024 in June, showing that the triple combination of osemitamab (TST001) + checkpoint inhibitor + CAPOX in patients with known PDL1 status and high/medium Claudin18.2 expression is associated with a median PFS of 12.6 months. We worked with Agilent Technologies, Inc. (Agilent), a world leader in CDx development, and developed a Claudin18.2 companion diagnostic test that can fully support our global pivotal trial of osemitamab (TST001). We successfully received regulatory clearances from the U.S. Food and Drug Administration (FDA), China Center for Drug Evaluation (CDE) and South Korea Ministry of Food and Drug Safety (MFDS). All the achievements validate and further support our strategy for the Global Phase III trial (TranStar301). Osemitamab (TST001) is on track to become the first global therapy that delivers the next wave of innovation in the first-line treatment of patients with Claudin18.2 expressing locally advanced or metastatic G/GEJ cancer. We also plan to explore several Claudin18.2 expressing advanced solid tumors other than G/GEJ cancer.

For our lead non-oncology asset, the anti-sclerostin antibody blosozumab (TST002), we published Single Ascending Dose (SAD) study result in the 2024 World Congress on Osteoporosis, Osteoarthritis and Musculoskeletal Diseases (WCO-IOF-ESCEO Congress) in April. After a single dose of blosozumab (TST002) up to 1,200 mg, the average increase of lumbar spine BMD at day 85 (D85) ranged from 3.52% to 6.20% and total hip BMD from 1.30% to 2.24% across dose cohorts. The lumbar spine BMD increase exceeded the least significant difference level (2.77%) and was clinically meaningful.

In addition, we have completed the enrolment of patients in the dose-escalation part for the First-in-Human (FIH) trial of our first-in-class anti-GREMLIN-1 antibody TST003 and the trial is ongoing at multiple clinical centers in the U.S. and China. We have presented one Trial in Progress (TiP) poster of TST003-1001 study at the 2024 American Association for Cancer Research (AACR) annual meeting in April.

Furthermore, progress had been made in improving our continuous bioprocessing platform technology HiCB (Highly Intensified Continuous Bioprocessing) and the technology was successfully implemented in the GMP manufacturing of osemitamab (TST001).

Business Highlights

Key highlights of our achievements during the Reporting Period and up to the date of this report:

CLINICAL PROGRAMS ACHIEVEMENTS

Osemitamab (TST001, A Humanized ADCC Enhanced Claudin18.2 mAb for Solid Tumors)

- In April 2024, we published the safety and PK data of TranStar101 study at the 2024 AACR annual meeting. The safety and pharmacokinetic profile of osemitamab (TST001) in the U.S. patients, is consistent with the profile reported in Chinese patients from TranStar102 study.
- In June 2024, we published the efficacy and safety data of Cohort-G of TranStar102 study for osemitamab (TST001), plus checkpoint inhibitor and CAPOX as the first-line treatment of patients with locally advanced or metastatic G/GEJ cancer at ASCO annual meeting. The triplet outcomes in patients with G/GEJ cancer of high/medium Claudin18.2 expression, with an encouraging median PFS of 12.6 months further validates our approach of exploring the next wave innovation for the treatment of first-line G/GEJ cancer in a Global Phase III trial.

CDx Progress for Osemitamab (TST001)

- In April 2024, the Company extended the collaboration with Agilent, a world leader in CDx development, to develop a Claudin18.2 companion diagnostic to support TranStar301 global Phase III pivotal trial of osemitamab (TST001) in combination with checkpoint inhibitor and chemotherapy as first-line treatment in patients with Claudin18.2 expressing locally advanced or G/GEJ adenocarcinoma. This tool will help us to identify the patients that have high likelihood to benefit from osemitamab (TST001) and potentially could increase the probability of success of the Phase III trial.

Blosozumab (TST002, A Humanized Sclerostin mAb for Osteoporosis)

- Blosozumab (TST002) SAD study result was published in the 2024 WCO-IOF-ESCEO Congress. The study result has also been submitted to 2024 Chinese Society for Osteoporosis and Bone and Mineral Research Congress (CSOBMR) in April. After a single dose of blosozumab (TST002) up to 1,200 mg, the average increase of lumbar spine BMD at day 85 (D85) ranged from 3.52% to 6.20% and total hip BMD from 1.30% to 2.24% across dose cohorts. The lumbar spine BMD increase exceeded the least significant difference level (2.77%) and was clinically meaningful.

TST003 (A First-in-Class Humanized Anti-GREMLIN-1 Antibody)

- TST003-1001 study, the FIH trial, is ongoing at multiple clinical centers in the U.S. and China. Dose escalation of monotherapy has been completed. TST003 has demonstrated good safety and tolerability, and in general dose proportional PK profiles were observed.
- A Trial in Progress (TiP) poster of TST003-1001 study was presented at the 2024 AACR annual meeting.

Business Highlights

RESEARCH/EARLY DEVELOPMENT UPDATE

TST013 (An ADC Candidate Targeting a Validated Tumor Antigen)

- TST013 is a next generation ADC candidate for a validated target antigen expressed by breast cancer and other tumor types. The ADC molecule combined the site-specific conjugation of TOPO-I inhibitor with an in-house tailor made antibody which has prolonged PK. We have completed in vivo pharmacology studies for the ADC lead molecule selection and initiated the IND-enabling studies. TST013 displayed significantly improved anti-tumor activity relative to benchmark ADC and improved tolerability profile which warrants further development.

TST808 (A Humanized Antibody Neutralizing One of the Validated Key Targets Regulating B/Plasma Cell Proliferation and Survival)

- TST808 is a humanized antibody neutralizing one of the validated key targets regulating B/plasma cell proliferation and survival. TST808 has improved properties in blocking B cell proliferation and signalling. TST808 has the potential to treat multiple autoimmune renal disorders including IgA nephropathy. We have obtained the lead molecules and initiated the IND-enabling studies.

BUSINESS DEVELOPMENT ACHIEVEMENTS

- We have continued the clinical trial collaboration with BMS, and completed the enrolment with osemitamab (TST001), checkpoint inhibitor and chemotherapy combination in TranStar102 in China and in TranStar101 in the U.S..
- We have continued the collaboration with Agilent for our Claudin18.2 specific IHC CDx Assay to support TranStar301 global Phase III pivotal trial of osemitamab (TST001) in combination with checkpoint inhibitor and chemotherapy.
- We have engaged with multiple parties and received term sheets for partnership discussions.

TECHNOLOGY PARTNERSHIP & ADVANCEMENT

- We have formed a strategic alliance with a company specialized in siRNA drug substance synthesis, to provide CDMO services in siRNA formulation development and F&F.
- Our in-house cell culture media ExcelPro CHO are being evaluated for its performance against market standards for fed-batch, intensified fed-batch and perfusion processes by several external partners including a global leading company of media. This is part of potential collaboration for global commercialization of ExcelPro CHO. We have continued existing collaboration with Tofflon (Shenzhen Stock Exchange, stock code: SZ 300171) and other companies for marketing and sales of HJB's ExcelPro CHO media.

Business Highlights

CMC&CDMO UPDATES

CMC deliverables

- In support of osemitamab (TST001) late-stage development and eventual registration filing, we had a successful FDA Type C meeting and reached an agreement on comparability strategy and plan in support of implementation of integrated hybrid continuous downstream process for manufacturing of osemitamab (TST001) for commercial supply.

Platform and technology development

- We continued to improve our in-house cell line expression system and are on track to make it available for licensing to CDMO clients as well as for internal programs.
- In 2024, we continued our effort to further improve and complete the development of perfusion media and fed-batch media. The new generations of perfusion media and fed-batch basal medium and feed media are ready for commercialization.

CDMO business

- We have expanded our services in siRNA drug product development and increased our exposure in international markets.

Management Discussion and Analysis

OVERVIEW

We are a clinical stage biopharmaceutical company with fully integrated capacities in discovery, research, development, and manufacturing. With the commitment of an experienced and fully functional team with extensive global clinical research and development capabilities located in both China and the U.S., we continue to drive our launches and innovation with expected breakthrough potential in a variety of modalities including oncology, osteoporosis, kidney disease and autoimmune disease.

We have implemented a multi-regional development strategy with an aim to forge a global commercial pathway for our products. In particular, we have obtained the U.S. FDA, China CDE and South Korea MFDS approvals for initiating a global Phase III trial for osemitamab (TST001) in combination with checkpoint inhibitor and chemotherapy as the first-line treatment for Claudin18.2 expressing locally advanced or metastatic G/GEJ adenocarcinomas. A proprietary Claudin18.2 companion diagnostic assay has also been developed to support the patient selection for the pivotal trial.

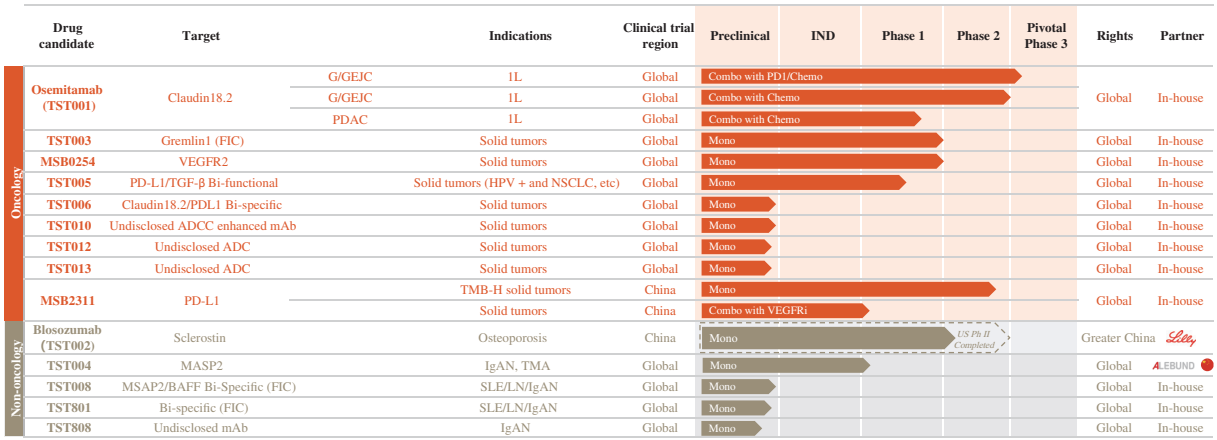
Our proprietary antibody discovery platform empowers us to discover best-in-class or first-in-class agents, supported by our comprehensive CMC capabilities that facilitate the seamless transition of these agents from discovery to patients and ultimately to the market. By leveraging the advanced translational science platform, we are able to advance our discovery pipeline into development for clinical applications with precision. The HiCB manufacturing platform technology empowers us to provide patients with high-quality products at a significantly lower cost. In addition, we are also leveraging our fully comprehensive CMC capabilities to provide top-notch CDMO services, generating revenue to sustain our operations effectively.

Moreover, we are actively pursuing our global strategy by forming partnerships with both international and domestic biopharmaceutical companies, as well as academic research institutions, to leverage the worldwide rights and commercial opportunities of our pipeline.

Management Discussion and Analysis

Our Product Pipeline

We have established a diversified and differentiated pipeline of 14 molecules in oncology, bone disorders and nephrology. Most of our antibody candidates were generated in-house by our antibody discovery platform covering validated, partially validated, and novel biological pathways, whereas one pipeline candidate was acquired through in-licensing. The following chart summarizes the drug candidates that are currently under development globally across various therapeutic areas as of the date of this report:



Abbreviations: PD-L1=Programmed death-ligand 1; TGFβ=Transforming growth factor beta; MASP2=Mannan-binding lectin serine protease 2; IND=Investigational new drug; FIC=First-in-class; HPV=Human Papillomavirus; NSCLC=Non-small cell lung cancer; SLE=Systemic lupus erythematosus; TMA=Thrombotic microangiopathy; IgA nephropathy=Immunoglobulin A nephropathy; Combo=Combination; Chemo=Chemotherapy; VEGFR2=Vascular endothelial growth factor receptor 2 inhibitor

(1) Solid tumors in the "Indications" column include all tumor types other than hematologic malignancies. The particular tumor types as indications for each product depends on the mechanism of action of the corresponding drug candidate and emerging or established pre-clinical/clinical evidence. See the subsections headed "Clinical Development Plan" for each of our drug candidates in "Business" section of the Prospectus for the specific tumor types targeted for clinical development.

(2) Global in the "Clinical trial region" column represents Asia (including China), North America, South America, Europe and Oceania.

Management Discussion and Analysis

BUSINESS REVIEW

During the first half of 2024, we have made significant progress with our pipeline assets in both oncology and non-oncology therapeutic areas and achieved multiple clinical and preclinical milestones that are listed as follows:

Oncology Program

Our oncology pipeline includes multiple innovative and differentiated biologic molecules targeting major cancer pathways. Several drug candidates, including osemitamab (TST001), MSB0254, TST003, TST012 and TST013, are designed to achieve anti-tumor activities with different mechanisms that are potentially synergistic with each other for indications with high unmet medical needs. Our key oncology candidates include:

- Osemitamab (TST001), our lead asset, is a potential best-in-class and differentiated antibody targeting Claudin18.2, a validated tumor associated antigen in several solid tumors, including but not limited to gastric and gastroesophageal cancer. Approvals to launch a global Phase III registration trial (TranStar301) to develop osemitamab (TST001) in combination with checkpoint inhibitor and chemotherapy as the first-line treatment for Claudin18.2 expressing G/GEJ adenocarcinomas have been received from the U.S. FDA, China CDE and South Korea MFDS. Further explorations include other Claudin18.2 expressing tumors in addition to G/GEJ cancer.
- MSB0254 is a high affinity humanized antibody against VEGFR2, with an anti-tumor mechanism of action by inhibiting/normalizing tumor angiogenesis. Phase I study of MSB0254 has been completed and RP2D dose has been determined.
- TST003 is a first-in-class humanized antibody targeting GREMLIN-1. It is currently tested in a global FIH trial. We have completed the dose escalation.
- TST012 is an ADC candidate at preclinical stage targeting biomarker expressing gastric cancer and other solid tumors. The in vivo pharmacology studies for the ADC lead molecule selection have been completed and further development is ongoing.
- TST013 is an ADC candidate at preclinical stage with potential targeting breast cancer and other tumor types. The in vivo pharmacology studies for the ADC lead molecule selection have been completed and further development is ongoing.

Our broad portfolio also offers opportunities to cover additional unmet medical needs through combinations: for example, MSB0254 and TST003 are highly synergistic with osemitamab (TST001) allowing to enhance our Claudin18.2 franchise through proprietary combinations with osemitamab (TST001); TST003 and MSB0254 combinations have the potential to offer new therapeutic alternatives for various solid tumors.

Management Discussion and Analysis

Osemitamab (TST001, A Humanized ADCC Enhanced Anti-Claudin18.2 mAb for Solid Tumors)

Osemitamab (TST001), our lead asset, is a potential best-in-class and ADCC enhanced humanized anti-body specifically targeting Claudin18.2 with high-affinity. Claudin18.2 is overexpressed in multiple tumor types, including G/GEJ cancer, pancreatic ductal adenocarcinoma (PDAC) and non-small cell lung cancer (NSCLC). Our strategy is to lead the next wave of innovation by developing osemitamab (TST001) combination with the latest standard of care (i.e., chemotherapy +/- checkpoint inhibitor), delivering more effective treatment to patients with Claudin18.2 expressing solid tumors including G/GEJ cancer, PDAC and NSCLC.

In the first-line Claudin18.2 positive G/GEJ cancer, the combination of Claudin18.2 targeting antibody with chemotherapy has been validated by competing molecule as an effective treatment option in two global Phase III trials. The competing molecule benefits around 38% of G/GEJ cancer, based on their Claudin18.2 expression levels. Osemitamab (TST001) is the second generation Claudin18.2 targeting antibody designed to have more potent anti-tumor activities than competing molecule. It has higher binding affinity and more potent ADCC (antibody-dependent cellular cytotoxicity) than competing molecule. ADCC accounts for the direct killing of cancer cells by the anti-Claudin18.2 antibody. Our preliminary clinical data indicated that osemitamab (TST001) had the potential to benefit a broader patient population of about 55% of G/GEJ cancer. Our differentiation strategy in the first-line advanced or metastatic G/GEJ cancer is to lead the next wave of innovation by developing osemitamab (TST001) in combination with checkpoint inhibitor (i.e., nivolumab) and chemotherapy, a first-in-class and potentially more effective treatment for patients with Claudin18.2 expressing G/GEJ cancer.

We anticipate submitting pivotal trial applications with EMA, Japan PMDA and other regions of the world in 2024.

We have made significant progress in the first half of 2024 in advancing the clinical development for osemitamab (TST001), which includes:

Recent Product Developments and Milestones

- In April 2024, we published the safety and PK data of TranStar101 study at the 2024 AACR annual meeting. The safety and pharmacokinetic profile of osemitamab (TST001) in the U.S. patients, is consistent with the profile reported in Chinese patients from TranStar102 study.
- In June 2024, we published the efficacy and safety data of Cohort-G of TranStar102 study for osemitamab (TST001), plus checkpoint inhibitor and CAPOX as the first-line treatment of patients with locally advanced or metastatic G/GEJ cancer at ASCO annual meeting. The triplet outcomes in patients with G/GEJ cancer of high/medium Claudin18.2 expression, with an encouraging median PFS of 12.6 months, further validates our approach of exploring the next wave innovation for the treatment of first-line G/GEJ cancer in a Global Phase III trial.

Management Discussion and Analysis

CDX PROGRESS FOR OSEMITAMAB (TST001)

Recent Product Developments and Milestones

- In April 2024, the Company extended the collaboration with Agilent to develop a Claudin18.2 companion diagnostic to support TranStar301 global Phase III pivotal trial of osemitamab (TST001) in combination with checkpoint inhibitor and chemotherapy as first-line treatment in patients with Claudin18.2 expressing locally advanced or metastatic G/GEJ adenocarcinoma. This tool will help us to identify the patients that has high likelihood to benefit from osemitamab (TST001) and potentially could increase the probability of success of the Phase III trial.

MSB0254 (A Humanized VEGFR2 mAb Candidate for Solid Tumors)

MSB0254 is a high affinity humanized antibody against VEGFR2, with an anti-tumor mechanism of action by inhibiting tumor angiogenesis. MSB0254 has been generated using the Company's in-house antibody discovery platform. VEGFR-2 is overexpressed in neovascular tumor endothelial cells in many tumors in comparison to normal endothelial cells. VEGFR-2 pathway controls vascular permeability, survival and migration of the vascular endothelial cells. VEGFR-2 inhibitors have been shown to be able to inhibit tumor-induced angiogenesis and effectively block tumor growth, and thus may have a potential therapeutic role in multiple tumor types. We have completed the Phase I dose escalation study and determined RP2D dose.

TST003 (A First-in-Class Humanized Anti-GREMLIN-1 Antibody)

TST003 is a first-in-class and high affinity humanized monoclonal antibody targeting GREMLIN-1, a regulatory protein that is highly expressed by stromal cells and tumor cells in diverse human carcinomas, especially in colon cancer, prostate cancer, gastric cancer, lung cancer, esophageal cancer, pancreatic ductal adenocarcinoma, and breast cancer.

Recent Product Developments and Milestones

- TST003-1001 study, the FIH trial, is ongoing at multiple clinical centers in the U.S. and China. Dose escalation as monotherapy has been completed. TST003 has demonstrated good safety and tolerability, and in general dose proportional PK profiles were observed.
- A Trial in Progress (TiP) poster of TST003-1001 study was presented at the 2024 AACR annual meeting.

TST012 (An ADC Candidate Targeting Biomarker Expressing Gastric Cancer and Other Solid Tumors)

TST012 is an ADC candidate targeting biomarker expressing gastric cancer and other solid tumors. We have obtained the lead molecule and finished the cell line development. This targeted program will be complementary to our osemitamab (TST001) program in gastric cancer. As at the date of this report, it is at preclinical stage. The in vivo pharmacology studies for the ADC lead molecule selection have been completed and further development is ongoing.

TST013 (An ADC Candidate Targeting a Validated Tumor Antigen)

TST013 is an ADC candidate with potential targeting breast cancer and other tumor types. As at the date of this report, it is at preclinical stage. We have obtained the ADC lead molecule and have completed in vivo pharmacology study, which showed superior anti-tumor activities with significantly improved therapeutic window in mouse model of breast cancer. TST013 displayed significantly improved anti-tumor activity relative to benchmark ADC and improved tolerability profile which warrants further development.

Management Discussion and Analysis

Recent Product Developments and Milestones

- In the first half of 2024, we have completed in vivo pharmacology studies for the ADC lead molecule selection and initiated the IND-enabling studies.

Non-oncology Program

Our highly differentiated non-oncology pipelines target bone and kidney diseases (blosozumab (TST002), TST004, TST008, TST801, and TST808) that have large patient population and high unmet medical needs. We have focused on indication expansion with huge market potentials and aim to form partnerships to accelerate product development.

We have been developing blosozumab (TST002), a Phase II stage agent targeting bone disorders as a lead asset. To further expand our current pipeline in autoimmune diseases, we are developing TST801, a first-in-class bi-functional antibody. This molecule also has the potential for the treatment of IgA nephropathy and other autoimmune diseases, such as SLE, a progressive disease affecting over three million people worldwide with early onset (age 18-44) and limited treatment options to slow down or stop the organ damages caused by the disease.

Blosozumab (TST002) (A Humanized Sclerostin mAb for Osteoporosis)

Blosozumab (TST002), is a humanized monoclonal antibody with neutralizing activity against sclerostin for which we in-licensed the Greater China rights from Eli Lilly. Eli Lilly had completed Phase II trial with blosozumab in postmenopausal women in the United States and Japan. The data had shown that blosozumab can induce significant dose-dependent increases in spine, femoral neck, and total hip bone mineral density (BMD) as compared with placebo. In these studies, in the highest dose group, blosozumab treatment increased mean BMD by 17.7% at the spine, and 6.2% at the total hip from baseline after 12 months. We obtained encouraging data from 32 patients treated with a single dose of blosozumab (TST002) and followed for 85 days, including safety, bone formation and resorption markers and BMD data. After a single dose of blosozumab (TST002) up to 1,200 mg, the average increase of lumbar spine BMD at day 85 (D85) ranged from 3.52% to 6.20% and total hip BMD from 1.30% to 2.24% across dose cohorts. The safety, efficacy and PK/PD results of this study are consistent with the clinical data in the U.S. patients.

Recent Product Developments and Milestones

- Blosozumab (TST002) SAD study result was published at the 2024 WCO-IOF-ESCEO Congress in April. The study result has also been submitted to 2024 Chinese Society for Osteoporosis and Bone and Mineral Research Congress (CSOBMR).

TST004 (A Humanized MASP-2 mAb Candidate for IgAN)

TST004, one of our key products, is a humanized mAb targeting mannan-binding lectin serine protease 2 (MASP2) designed to prevent inflammation and tissue damage mediated by lectin pathway complement activation. It can be potentially applied to multiple MASP2-dependent complement mediated diseases, including IgA nephropathy (IgAN), a highly prevalent chronic kidney disease globally. As at the date of this report, it is at the Phase I stage.

TST008 (A Bi-Functional Antibody for MASP-2 and BAFF for Autoimmune Diseases)

TST008 is a first-in-class bispecific antibody combining MASP2 antibody with another molecule blocking B-cell activation and/or differentiation. As at the date of this report, it is at preclinical stage.

Management Discussion and Analysis

TST801 (A Bifunctional Fusion Protein for Autoimmune Diseases)

TST801 is a first-in-class bifunctional fusion protein targeting receptors involved in regulating B cell activation and differentiation and is designed for the treatment of SLE, a disease with high unmet medical needs and high prevalence globally. We have obtained the lead molecule and finished the cell line development and the process development, ready for IND-enabling studies. As at the date of this report, it is at preclinical stage.

TST808 (A Humanized Antibody Neutralizing One of the Validated Key Targets Regulating B/plasma Cell Proliferation and Survival)

TST808 is a humanized antibody neutralizing one of the validated key targets regulating B/plasma cell proliferation and survival. TST808 has improved properties in blocking B cell proliferation and signalling. TST808 has the potential to treat multiple autoimmune renal disorders including IgA nephropathy.

- We have obtained the lead molecules and the IND-enabling studies have been initiated.

Cautionary Statement required by Rule 18A.08(3) of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules"): The Company cannot guarantee that it will be able to develop, or ultimately market, any of the above drug candidates successfully. Shareholders and potential investors of the Company are advised to exercise due care when dealing in the shares of the Company.

Research and Early Development Efforts

We made progress in two early-stage programs with the intention to develop as ADCC enhanced antibody or antibody drug conjugates (ADC). We have also made progress in another early-stage program of a first-in-class bifunctional fusion protein for the treatment of SLE to the IND-enabling study stage. We are expanding two new non-oncology targets to B cell and/or complement pathways for autoimmune diseases in our early discovery pipeline.

Strategic Partnership to Advance Pipeline

Partnerships and collaborations are the key for maximizing the clinical and commercial potential of our assets. With the help of our differentiated or first-in-class molecules, we have established clinical trial collaboration with BMS for osemitamab (TST001), in-licensed blosozumab (TST002) rights in Greater China with Eli Lilly & Company, co-developing TST004 in China with Alebund Pharmaceuticals, and continued a technology collaboration with Merck KGaA for continuous downstream processing. Additionally, we have established multiple research collaborations, including one with a MNC for one of our pipeline molecule, and several companies for different ADC platforms, and multiple translational research collaborations with prominent academic institutions including Dana Farber Cancer Institute and John Hopkins University.

Details of our existing partnerships are shown below.

Management Discussion and Analysis

Osemitamab (TST001)

We aim to develop osemitamab (TST001) as the cornerstone treatment in Claudin18.2 expressing solid tumors including G/GEJ cancer, PDAC, and NSCLC.

In 2022, we established a global clinical trial collaboration with BMS to evaluate the combination of osemitamab (TST001) with BMS Opdivo® (nivolumab), an anti-PD-1 therapy, for the treatment of patients with unresectable locally advanced or metastatic Claudin18.2 expressing G/GEJ cancer.

We have been discussing with multiple MNCs and other strategic collaborators on the potential global collaboration of osemitamab (TST001) for Claudin18.2 positive gastric cancer and other solid tumors. With validation of Claudin18.2 target by competing molecule in G/GEJ cancer, we believe osemitamab (TST001) will offer more efficacious treatment for a broader patient population with Claudin18.2 positive G/GEJ cancer through the triple combination, that is, the combination of osemitamab (TST001), the targeted therapy, with the checkpoint inhibitor, and the first-line standard of care chemotherapy. The global Phase III trial (TranStar301) is designed to generate clinical evidence to support global regulatory approval.

We have continued the collaboration with Agilent for our Claudin18.2 specific CDx Assay, which is ready to be used for patient selection in our global Phase III study (TranStar301).

Blosozumab (TST002)

In 2019, we entered into an exclusive and royalty bearing license agreement with Eli Lilly for LY-2541546 (Blosozumab), LY-3108653 and LY-2950913 (each a "**Licensed Compound**"). We gained exclusive rights to develop, use or commercialize and manufacture the Licensed Compound in Greater China regions including the PRC, Hong Kong, Macau and Taiwan.

We completed technology transfer, established manufacturing process for blosozumab (TST002), and GMP production for clinical use and all the additional preclinical studies required for IND application in China. We received IND Clearance from China CDE.

We are continuing discussion with multiple domestic pharmaceutical companies for the potential collaboration on the development and commercialization of blosozumab (TST002) in Greater China.

TST004

We collaborate with Shanghai Alebund Pharmaceuticals Limited ("**Alebund Pharmaceuticals**") after establishing an equity joint venture registered under the law of PRC in 2020 to carry out pre-clinical research and conduct clinical trials in Greater China region. Currently, we have completed GMP material productions, in vitro/in vivo product characterization studies, non-GLP tox studies, GLP tox studies and pharmacology studies.

IND clearance has been obtained from FDA. We are continuing discussions for potential global collaboration with multiple companies including MNCs on TST004.

TST003

We are continuing discussion with multiple MNCs and for potential partnership on both oncology and non-oncology applications.

TST801

We are continuing discussion with multiple MNCs and others with focus in inflammatory and immunology. We are in the process of initial evaluations for autoimmune diseases, such as SLE and IgAN.

We have engaged with multiple parties and received term sheets for partnership discussions.

Management Discussion and Analysis

TRANSLATIONAL RESEARCH COLLABORATIONS

We also entered multiple research collaborations with prominent academic institutions around the world, including the Dana-Farber Cancer Institute of Harvard Medical School, John Hopkins University, Beijing Cancer Hospital, Shanghai Pulmonary Hospital, Zhongshan Hospital, Zhongshan University, and Shanghai Jiao Tong University. The research collaborations covered osemitamab (TST001), TST003 and TST005. We also established strategic collaborations with multiple technology platform companies to explore different modalities for innovative targets, including multiple ADC platforms. These research collaborations further enhanced our global leading position in Claudin18.2 targeted combination therapies and strengthened our oncology programs.

TECHNOLOGY PARTNERSHIP & ADVANCEMENT

- We have formed a strategic alliance with a company specialized in siRNA drug substance synthesis, to provide CDMO services in siRNA formulation development and F&F.
- Our in-house cell culture media ExcelPro CHO is being evaluated for its performance against market standards for fed-batch, intensified fed-batch and perfusion processes by several external partners including a global leading company of media. This is part of potential collaboration for global commercialization of ExcelPro CHO. We have continued the existing collaboration with Tofflon (Shenzhen Stock Exchange, stock code: SZ 300171) and two other biotech companies for marketing and sales of HJB's ExcelPro CHO media.

CMC & CDMO UPDATES

CMC Deliverables

- In support of osemitamab (TST001) late-stage development and eventual registration filing, we had a successful FDA Type C meeting and reached an agreement on comparability strategy and plan in support of implementation of integrated hybrid continuous downstream process for manufacturing of osemitamab (TST001) for commercial supply.

Platform and Technology Development Advancement

We have made significant investment and progress in protein expression system, cell culture media development, bioprocessing technology, analytical technology, and expanding our capabilities into ADC and lyophilization drug product development.

- We continued to improve our in-house cell line expression system and is on track to make it available for licensing to CDMO clients as well as for internal programs.

CDMO Business

- We have remained at industry-top success rate since the beginning of the operation. These are in support of our global CDMO clients as well as our internal pipeline.
- We have completed CMC packages in support of clients' IND filings. We have expanded our services in siRNA drug product development and increased our exposure in international markets. We are supporting siRNA projects in formulation development and analytical methods development. We have provided quality consulting services based on our rich experiences in quality management.

EVENTS AFTER REPORTING PERIOD

Save as disclosed above, the Group has had no material event since the end of the Reporting Period and up to the date of this report.

Management Discussion and Analysis

FUTURE OUTLOOK

We expect to advance multiple key pipeline molecule programs and continue to advance our first global registration trial (TranStar301) for osemitamab (TST001) and expand in other settings and indications. We also strive to establish collaboration on our leading assets. We also plan to further advance our CMC platform and grow our CDMO business and revenue. A detailed breakdown of expected developments for the rest of 2024 is as follows:

Clinical Developments

Osemitamab (TST001)

- We plan to continue to advance our global pivotal trial (TranStar301) of osemitamab (TST001) for first-line G/GEJ cancer patients with Claudin18.2 overexpression. We anticipate submitting pivotal trial applications with EMA and other regions of the world including Japan in 2024.
- We plan to present clinical data from ongoing trials at medical conferences, including ESMO.
- We will continue exploring several Claudin18.2 expressing advanced solid tumors other than G/GEJ cancer, as well as early-stage G/GEJ cancer.

TST003

- We will continue the TST003 Phase I trial to obtain safety, pharmacokinetic and pharmacodynamic data.

TST808

- We plan to continue the IND-enabling study for TST808.

TST013

- We plan to continue the IND-enabling study for TST013.

Potential Partnerships

- We expect that the potential collaboration with potential partners will move our lead asset osemitamab (TST001) into a global Phase III trial in G/GEJ cancer, the critical first step in establishing osemitamab (TST001) as the cornerstone treatment in Claudin18.2 expressing solid tumors including G/GEJ cancer, PDAC and NSCLC.
- We will continue partnership discussions for our clinical assets blosozumab (TST002), TST003, TST004, and pre-clinical assets including oncology assets TST012 and TST013, as well as non-oncology assets TST008, TST801 and TST808 to maximize the value of our assets.

CMC and Technology Developments

- We plan to fully develop in-house cell line expression system and be ready for out-licensing for CDMO clients as well as for internal programs.

CDMO

- We will continue to strengthen and expand BD activities globally to increase CDMO contracts from both China and U.S. clients.
- We plan to continue increasing our competitiveness by improving operational efficiency, reducing cost and expanding new capabilities.

We are committed to advancing our pipeline and actively seeking collaborations to bolster our global development strategy. Our focus remains on fortifying our products and technology platforms to boost efficiency while reducing expenses. By championing our global vision and strategy, we aim to fully unleash the potential of our portfolio and foster sustainable value growth.

Management Discussion and Analysis

FINANCIAL REVIEW

Six Months Ended June 30, 2024 Compared to Six Months Ended June 30, 2023

	Six months ended June 30,	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Revenue	**4,564**	36,084
Cost of sales	**(3,040)**	(25,972)
Gross profit	**1,524**	10,112
Other income	**9,570**	17,585
Other gains and losses, net	**1,038**	9,279
Impairment losses under expected credit loss model	**(4,361)**	(267)
Research and development expenses	**(102,965)**	(207,940)
Administrative and selling expenses	**(31,440)**	(57,954)
Share of results of a joint venture	**(11)**	51
Finance costs	**(7,202)**	(8,626)
Loss before tax	**(133,847)**	(237,760)
Income tax credit	**125**	113
Loss for the period	**(133,722)**	(237,647)
Other comprehensive expense for the period		
Item that may be reclassified subsequently to profit or loss:		
Exchange differences arising on translation of a foreign operation	**(1,463)**	(7,658)
Loss and total comprehensive expense for the period	**(135,185)**	(245,305)
Non-IFRS measure[(Note 1)]**:**		
Add: Adjusted for share-based compensation expenses	**12,824**	13,337
Adjusted loss and total comprehensive expenses for the period	**(122,361)**	(231,968)

Note:

1. See section below headed "Non-IFRS Measure" for the details of the non-IFRS measure adjustments.

Management Discussion and Analysis

Selected Data from Statement of Financial Position

	At June 30, 2024 RMB'000 (Unaudited)	At December 31, 2023 RMB'000 (Audited)
Non-current assets	**982,980**	1,009,256
Current assets	**490,270**	684,043
Total assets	**1,473,250**	1,693,299
Current liabilities	**453,164**	554,292
Non-current liabilities	**118,078**	111,374
Total liabilities	**571,242**	665,666
Net current assets	**37,106**	129,751

1. Revenue

The Group provides CDMO services and research and development services. CDMO services stands as an integrated platform to support the development of manufacturing processes and the production of advanced intermediates and active pharmaceutical ingredients and formulation development and dosage drug product manufacturing, for preclinical, clinical trials, new drug application, and commercial supply of chemical drugs as well as wide spectrum development from early to late stage. The research and development services are mainly for investigational new drug enabling studies based on customers' needs.

The Group primarily earns revenues by providing CDMO services and research and development services to its customers through fee-for-service ("**FFS**") contracts. Contract duration is generally a few months to two years. Under FFS method, the contracts usually have multiple deliverable units, which are generally in the form of technical laboratory reports and/or samples, each with individual selling price specified within the contract. The Group identifies each deliverable unit as a separate performance obligation, and recognizes FFS revenue of contractual elements at the point in time upon finalization, delivery and acceptance of the deliverable units.

Disaggregated revenue information:

	Six months ended June 30, 2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
CDMO services	**4,564**	36,084
	4,564	36,084

Management Discussion and Analysis

2. *Other Income*

Other income consists of bank interest income and government grants. Government grants represent 1) various subsidies granted by the PRC local government authorities to our subsidiaries as incentives for our research and development activities.The government grants were unconditional and had been approved by the PRC local government authorities, which are recognized when payments were received; and 2) amortization of subsidies received from the PRC local government authorities to subsidize the purchase of the Group's property, plant and equipment.

For the six months ended June 30, 2024, other income of our Group decreased by RMB8.0 million from RMB17.6 million for six months ended June 30, 2023. The decrease was primarily due to the decrease in interest income during the six months ended June 30, 2024.

3. *Other Gains and Losses, Net*

Other net gains and losses decreased by RMB8.3 million for the six months ended June 30, 2024 from RMB9.3 million for the six months ended June 30, 2023, which is attributable to the difference in net foreign exchange gain.

4. *Research and Development Expenses*

Research and development expenses primarily consist of pre-clinical expenses including testing fee and pre-clinical trial expenses, staff cost for our research and development personnel, clinical expenses including testing fee and clinical trial expenses, materials consumed for research and development of our drug candidates, depreciation and amortization expenses and others. The research and development expenses decreased by RMB104.9 million from RMB207.9 million for the six months ended June 30, 2023 to RMB103.0 million for the Reporting Period, primarily due to the decrease in clinical expenses and pre-clinical expenses with key focus on our key pipeline and resource reprioritization.

The following table sets forth the components of the Group's research and development expenses for the period indicated.

	Six months ended June 30,	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Clinical expenses	**25,041**	88,507
Pre-clinical expenses	**1,003**	11,210
Staff cost	**50,816**	70,952
Materials consumed	**596**	8,659
Depreciation and amortization expenses	**21,096**	20,832
Others	**4,413**	7,780
Total	**102,965**	207,940

Management Discussion and Analysis

5. Administrative and Selling Expenses

Our administrative expenses decreased by RMB26.6 million from RMB58.0 million for the six months ended June 30, 2023 to RMB31.4 million for the Reporting Period, primarily due to the decrease in personnel cost and professional services.

Our selling expenses primarily consist of personnel cost, travel, depreciation and amortization and others. Our administrative expenses consist primarily of salaries and related benefits costs for our administrative personnel, professional fees for services provided by professional institutions, depreciation and amortization expenses, office expenses for our daily operation, traveling and transportation expenses, and others.

The following table sets forth the components of the Group's selling and administrative expenses for the period indicated.

	Six months ended June 30,	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Salaries and related benefits costs	**15,808**	28,454
Professional fees	**7,361**	10,719
Depreciation and amortization expenses	**2,977**	4,049
Office expenses	**3,169**	9,060
Others	**2,125**	5,672
	31,440	57,954

OTHER COMPREHENSIVE EXPENSE

Our other comprehensive expense decreased from RMB7.7 million for the six months ended June 30, 2023 to RMB1.5 million for the six months ended June 30, 2024.

NON-IFRS MEASURE

To supplement the Group's consolidated financial statements, which are presented in accordance with the IFRS, the Company also uses adjusted loss and total comprehensive expenses for the period and other adjusted figures as additional financial measures, which are not required by, or presented in accordance with, the IFRS. The use of this non-IFRS measure has limitations as an analytical tool, and you should not consider it in isolation from, or as substitute for analysis of, the Group's results of operations or financial condition as reported under IFRS. The Company's presentation of such adjusted figure may not be comparable to a similarly titled measure presented by other companies. However, the Company believes that this and other non-IFRS measures are reflections of the Group's normal operating results by eliminating potential impacts of items that the management do not consider to be indicative of the Group's operating performance, and thus facilitate comparisons of operating performance from period to period and company to company to the extent applicable.

Management Discussion and Analysis

Adjusted loss and total comprehensive expenses for the period represents the loss and total comprehensive expenses for the period excluding the effect of share-based compensation expenses. The table below sets forth a reconciliation of the loss and total comprehensive expenses for the period to adjusted loss and total comprehensive expenses for the period during the periods indicated:

	Six months ended June 30,	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Total comprehensive expenses for the period	**(135,185.00)**	(245,305.00)
Add:		
Share-based compensation expenses	**12,824.00**	13,337.00
Income tax impact	**–**	–
Adjusted loss and total comprehensive expenses for the period	**(122,361.00)**	(231,968.00)

EMPLOYEES AND REMUNERATION POLICIES

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

	Number of employees	**% of total number of employees**
Research and Development	102	51
General and Administrative	46	23
Manufacturing	52	26
Total	**200**	**100**

The Group believes in the importance of attraction, recruitment and retention of quality employees in achieving the Group's success. Our success depends on our ability to attract, retain and motivate qualified personnel. The number of employees employed by the Group varies from time to time depending on our needs. Employees' remuneration is determined in accordance with prevailing industry practice and employees' educational background, experience and performance. The remuneration policy and package of the Group's employees are periodically reviewed.

Our employees' remuneration comprises salaries, bonuses, social security contributions and other welfare payments. In accordance with applicable Chinese laws, we have made contributions to social security insurance funds (including pension plans, medical insurance, work-related injury insurance, unemployment insurance and maternity insurance) and housing funds for our employees.

Management Discussion and Analysis

The Company also has one expired share scheme with awards outstanding and one existing share scheme, namely the Pre-IPO Equity Incentive Plan and the Share Incentive Scheme, respectively. Please refer to the section headed "Appendix IV Statutory and General Information – D. Share Schemes" in the prospectus of the Company dated September 14, 2021 (the "**Prospectus**") for further details of the Pre-IPO Equity Incentive Plan and the circular published by the Company on October 16, 2022 for further details of the Share Incentive Scheme.

During the Reporting Period, the Group did not experience any significant labour disputes or any difficulty in recruiting employees.

LIQUIDITY AND FINANCIAL RESOURCES

On September 29, 2021, 40,330,000 ordinary shares of US$0.0001 par value each were issued at HK$16.00 per share for a total gross cash consideration of HK$645,280,000 (equivalent to RMB536,034,000).

As of June 30, 2024, bank balances and cash and pledged bank deposits amounted to RMB415.3 million as compared to RMB596.3 million as of December 31, 2023. The decrease was mainly due to the net operating and financing cash outflow. Bank balances and cash and pledged bank deposits were mainly denominated in RMB as of June 30, 2024.

GEARING RATIO

The gearing ratio of the Group was calculated using interest-bearing borrowings less cash and cash equivalents divided by total equity and multiplied by 100%. Since the Group maintained a net cash position as at June 30, 2024 and December 31, 2023, the gearing ratio is not applicable.

OTHER FINANCIAL INFORMATION

Significant Investments, Material Acquisitions and Disposals

The Group did not make any significant investments (including any investment in an investee company with a value of five percent or more of the Group's total assets as at June 30, 2024) during the Reporting Period. The Group did not have any material acquisitions or disposals of subsidiaries, associated companies or joint ventures for the six months ended June 30, 2024.

Foreign Exchange Risk

The functional currency of the Company is Renminbi. During the Reporting Period, certain bank balances and cash, trade and other receivables, trade and other payables are denominated in U.S. dollars, which are exposed to foreign currency risk. The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

Bank Loans and Other Borrowings

As at June 30, 2024, borrowings amounting to RMB42,000,000 are secured by pledged bank deposits of RMB50,000,000. Borrowings were denominated in RMB as at June 30, 2024. Save for those disclosed in this report, no other assets of the Group had been pledged as at June 30, 2024.

We had an aggregate of RMB217,000,000 overdrafts with fixed interest rates as at June 30, 2024.

Management Discussion and Analysis

The Group's borrowings that are denominated in currencies other than the functional currencies of the relevant group entities are set out below:

	Six months ended June 30,	
	2024	2023
	RMB'000	RMB'000
US$	**–**	–

Contingent Liabilities

As at December 31, 2023 and June 30, 2024, the Group did not have any material contingent liabilities.

Funding and Treasury Policy

The Group adopts a prudent funding and treasury policy, the management team and the Board monitor and evaluate the financial conditions and liquidity from time to time and on a regular basis, to ensure the Group's assets, liabilities and commitments can meet the funding requirements.

Other Information

Save as certain information disclosed up to the date of this report, the Company sets out the following information for the six months ended June 30, 2024:

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY OF ITS ASSOCIATED CORPORATIONS

As at June 30, 2024, the interests and short positions of the Directors or chief executives of our Company in any of the Shares, underlying Shares and debentures of our Company or our associated corporations (within the meaning of Part XV of the SFO), which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or which will be required to be recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code as contained in Appendix C3 to the Listing Rules were as follows:

Name of Director	Capacity/Nature of interest	Number of ordinary shares	Approximate percentage of holding[1]	Long position/ Short position
Dr. Xueming Qian	Beneficial owner[2], Founder and beneficiary of discretionary trust, Interest in controlled corporation[3]	36,630,000	8.39%	Long position
Mr. Jiasong Tang	Beneficial owner[4]	30,000	0.01%	Long position
Mr. Zhihua Zhang	Beneficial owner[5]	30,000	0.01%	Long position
Dr. Kumar Srinivasan	Beneficial owner[6]	30,000	0.01%	Long position
Ms. Helen Wei Chen	Beneficial owner[7]	30,000	0.01%	Long position
Dr. Li Xu	Beneficial owner[8]	4,431,501	1.02%	Long position

Other Information

Notes:

(1) The calculation is based on the total number of 436,375,375 Shares as at June 30, 2024.

(2) Includes 4,833,470 Shares Dr. Qian holds in his name, 236,164 Shares held by Success Voyage Investment Limited, a British Virgin Island company wholly-owned by the Success Voyager Trust and is a limited partner of Success Link, and Dr. Qian's entitlement to receive up to 4,041,024 and 4,277,188 Shares pursuant to the share options and share awards granted to him, respectively.

(3) Includes 23,242,154 Shares held by Qian Dynasty Irrevocable Trust. With regards to the Qian Dynasty Irrevocable Trust, the beneficiaries are Dr. Xueming Qian and his children and their descendants, the investment advisor is Dr. Qian and the trustee is HSBC Trust Company (Delaware) National Association.

(4) Represents Mr. Jiasong Tang's entitlement to receive up to 30,000 Shares pursuant to the share awards granted to him.

(5) Represents Mr. Zhihua Zhang's entitlement to receive up to 30,000 Shares pursuant to the share awards granted to him.

(6) Represents Dr. Kumar Srinivasan's entitlement to receive up to 30,000 Shares pursuant to the share awards granted to him.

(7) Represents Ms. Helen Wei Chen's entitlement to receive up to 30,000 Shares pursuant to the share awards granted to her.

(8) Includes 719,865 Shares Dr. Xu holds in her name, and Dr. Xu's entitlement to receive up to 3,091,976 and 619,660 Shares pursuant to the share options and share awards granted to her, respectively. Dr. Xu was appointed as a non-executive Director with effect from August 28, 2024.

Save as disclosed above, as at June 30, 2024, none of the Directors or chief executives of the Company had or was deemed to have any interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations.

Other Information

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at June 30, 2024, so far as the Directors or chief executives are aware, the following persons (other than the Directors or chief executives of the Company) had interests or short positions in the Shares or underlying Shares of the Company which would fall to be disclosed to our Company pursuant to Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

Name of Shareholder	Capacity/Nature of interest	Number of ordinary shares	Approximate percentage of holding[1]	Long position/ Short position/ Lending pool
Dr. Xueming Qian[2]	Beneficial owner; founder and beneficiary of discretionary trust; interest in controlled corporation	36,630,000	8.39%	Long position
HSBC Trust Company (Delaware) National Association[2]	Trustee of discretionary trust	45,653,530	10.46%	Long position
Yi Shi[3]	Interest in controlled corporation	70,536,703	16.16%	Long position
LAV Asset Management (Hong Kong) Limited[3]	Investment manager	70,536,703	16.16%	Long position
LAV Corporate GP, Ltd.[3]	Interest in controlled corporation	50,566,136	11.59%	Long position
LAV GP III, L.P.[3]	Interest in controlled corporation	50,566,136	11.59%	Long position
LAV Biosciences Fund III, L.P.[3]	Beneficial owner; interest in controlled corporation	33,710,963	7.73%	Long position
LAV Vitality Limited[3]	Beneficial owner	22,388,232	5.13%	Long position
Temasek Holdings (Private) Limited[4]	Interest in controlled corporation	28,086,380	6.44%	Long position
Fullerton Management Pte Ltd[4]	Interest in controlled corporation	26,021,880	5.96%	Long position
Temasek Life Sciences Private Limited[4]	Interest in controlled corporation	26,021,880	5.96%	Long position
TLS Beta Pte. Ltd.[4]	Beneficial owner	26,021,880	5.96%	Long position
China Structural Reform Fund Corporation Limited (中國國有企業結構調整基金股份有限公司)[5]	Beneficial owner; interest in controlled corporation	39,421,012	9.03%	Long position
Xiaohong Shi[6]	Beneficial owner	22,411,376	5.14%	Long position

Other Information

Notes:

(1) The calculation is based on the total number of 436,375,375 Shares in issue as at June 30, 2024.

(2) Dr. Xueming Qian (the "**Dr. Qian**") is the executive Director, Chairman and chief executive officer of our Company.

This includes 4,833,470 Shares Dr. Qian holds in his name, 236,164 Shares held by Success Voyage Investment Limited, a British Virgin Island company wholly-owned by the Success Voyager Trust and is a limited partner of Success Link, 23,242,154 Shares held by Qian Dynasty Irrevocable Trust; and Dr. Qian's entitlement to receive up to (i) 4,041,024 Shares pursuant to the share options granted to him under the Share Incentive Scheme; (ii) 4,277,188 Shares pursuant to the share awards granted to him under the Share Incentive Scheme. With regards to the Success Voyager Trust, the beneficiaries are Dr. Qian's children, the trustee is Trident Trust Company (South Dakota) Inc. With regards to the Qian Dynasty Irrevocable Trust, the beneficiaries are Dr. Xueming Qian and his children and their descendants, the investment advisor is Dr. Qian and the trustee is HSBC Trust Company (Delaware) National Association.

(3) LAV Biosciences Fund III, L.P. and Lilly Asia Ventures Fund III, L.P. are Cayman Islands exempted partnership funds. The general partner of LAV Biosciences Fund III, L.P. and Lilly Asia Ventures Fund III, L.P. are LAV GP III, L.P., whose general partner is LAV Corporate GP, Ltd., a Cayman exempted company wholly owned by Yi Shi. Both LAV Vitality Limited (beneficial owner of 22,388,232 Shares) and LAV Altitude Limited (beneficial owner of 10,276,020 Shares) are limited companies incorporated in the British Virgin Islands and are wholly-owned by LAV Biosciences Fund III, L.P. LAV Biosciences Fund III, L.P. also holds 1,046,711 Shares in its own name. Both LAV Verdure Limited (beneficial owner of 11,194,116 Shares) and LAV Acuity Limited (beneficial owner of 5,138,010 Shares) are limited companies incorporated in the British Virgin Islands and are wholly-owned by Lilly Asia Ventures Fund III, L.P.. Lilly Asia Ventures Fund III, L.P. also holds 523,047 Shares in its own name.

LAV Biosciences Fund V, L.P. is a Cayman Islands exempted partnership fund. The general partner of LAV Biosciences Fund V, L.P. is LAV GP V, L.P., whose general partner is LAV Corporate V GP, Ltd., a Cayman exempted company wholly owned by Yi Shi. LAV Biosciences Fund V, L.P. holds 16,667,067 Shares in its own name and wholly-owns LAV Amber Limited, which is the beneficial owner of 3,303,500 Shares

Therefore, Yi Shi is deemed to be interested in the Shares held by LAV Biosciences Fund III, L.P., LAV Vitality Limited, LAV Altitude Limited, Lilly Asia Ventures Fund III, L.P., LAV Verdure Limited, LAV Acuity Limited, LAV Biosciences Fund V, L.P. and LAV Amber Limited.

(4) TLS Beta Pte. Ltd. is a company incorporated in Singapore, which is a direct wholly-owned subsidiary of Temasek Life Sciences Private Limited. Temasek Life Sciences Private Limited is a direct wholly-owned subsidiary of Fullerton Management Pte Ltd, which in turn is a direct wholly-owned subsidiary of Temasek Holdings (Private) Limited. Aranda Investments Pte. Ltd. (beneficial owner of 2,064,500 Shares) is a company incorporated in Singapore and an indirectly wholly owned subsidiary of Temasek Holdings (Private) Limited.

(5) China Structural Reform Fund Corporation Limited (中國國有企業結構調整基金股份有限公司) is a company incorporated in the PRC and (i) wholly-owns EverestLu Holding Limited (永祿控股有限公司), which is a limited company incorporated in Hong Kong and the beneficial owner of 16,076,988 Shares, and (ii) is interested in approximately 75.8% of CCT China Merchant Buyout Fund (深圳國調招商併購股權投資基金合夥企業(有限合夥)) in its capacity as a limited partner, which is the beneficial owner of 10,954,024 Shares.

(6) Ms. Xiaohong Shi became the named Investment Adviser of the Shi Dynasty Irrevocable Trust and has control of the voting rights attached to the relevant Shares with effect from September 1, 2023. The trustee is HSBC Trust Company (Delaware) National Association.

Other Information

Save as disclosed above, as at June 30, 2024, no persons other than the Directors or chief executives of the Company whose interests are set out in the section headed "Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company or Any of Its Associated Corporations" above had any interests or short positions in the Shares or underlying Shares which would fall to be disclosed to our Company pursuant to Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept under section 336 of the SFO.

EQUITY PLANS

The Company has one expired share scheme with awards outstanding and one existing share scheme, namely the Pre-IPO Equity Incentive Plan and the Share Incentive Scheme, respectively. Please refer to the section headed "Appendix IV Statutory and General Information – D. Share Schemes" in the Prospectus for further details of the Pre-IPO Equity Incentive Plan and the circular published by the Company on October 16, 2022 for further details of the Share Incentive Scheme.

504,931 new Shares, representing approximately 0.12% of the weighted average number of issued ordinary shares of the Company for the six months ended June 30, 2024, may be issued in respect of all options and awards granted during the Reporting Period to eligible participants pursuant to the Share Incentive Scheme (excluding 1,694,639 shares lapsed/cancelled and any award shares that will be satisfied by the existing shares held by trust(s)), of which 2,000 underlying new Shares have already been issued for the six months ended June 30, 2024).

Further, details and relevant breakdowns of each of the equity plans are set out below:

1. Pre-IPO Equity Incentive Plan

The Pre-IPO Equity Incentive Plan of the Company was effective since January 1, 2019 and as disclosed in the circular of the Company dated May 16, 2023, the Pre-IPO Equity Incentive Plan was terminated on May 31, 2023 and the Company shall not make any further grants under the Pre-IPO Equity Incentive Plan thereafter (the "**Termination of Pre-IPO Equity Incentive Plan**").

Other Information

Outstanding Pre-IPO Options granted under the Pre-IPO Equity Incentive Plan

The Company has not granted further Pre-IPO Options under the Pre-IPO ESOP after the Listing Date. Details of the movements of the Pre-IPO Options granted under the Pre-IPO Equity Incentive Plan as at June 30, 2024 are as follows.

Name	Date of grant	Vesting period[1]	Exercise price	Outstanding as at January 1, 2024[2]	Exercised during the Reporting Period	Weighted average closing price of Shares immediately before the date of exercise	Lapsed during the Reporting Period	Cancelled during the Reporting Period	Outstanding as at June 30, 2024[2],[3]
Other grantees in category (other than Directors, chief executive or substantial shareholders of the Company)									
205 Employee Participants in aggregate[4]	Between September 28, 2016 to June 13, 2021	2 to 4 years	Between US$0.001 per Share to US$1.5 per Share	11,096,533	2,000[5]	HK$3.59	8,000	–	11,086,533
7 service providers in aggregate[6]	Between September 28, 2016 to November 16, 2020	4 to 5 years	Between US$0.0879 per Share to US$0.4688 per Share	680,000	–	–	–	–	680,000
Total				**11,776,533**	**2,000**		**8,000**	**–**	**11,766,533**

Notes:

(1) The exercise period of the Pre-IPO Options shall be 10 years from the date of grant, subject to the terms of the Pre-IPO Equity Incentive Plan and the Offer Letter.

(2) The outstanding calculations exclude Pre-IPO Options where the underlying Shares have been issued to Success Reach International Limited and Success Link International L.P.

(3) A portion of the Pre-IPO Options granted are vested based on milestones achievement stated in the Offer Letter or Grant Letter.

(4) Includes 2,200,000 outstanding Pre-IPO Options granted to Dr. Li Xu, who was appointed as a non-executive Director with effect from August 28, 2024.

(5) The exercise price of the Pre-IPO Options exercised during the Reporting Period is US$0.1000 per Share.

(6) The service providers are consultants of the Company who are not employees or former employees of the Group.

Other Information

Outstanding RSUs granted under the Pre-IPO Equity Incentive Plan

Details of the movements of the RSUs granted under the Pre-IPO Equity Incentive Plan as at June 30, 2024 are as follows:

Name	Date of grant	Vesting period	Purchase price (per Share)	Performance target	Closing price of Shares immediately before the date of grant	Fair value of RSUs on the date of grant (per RSU)[1]	Unvested RSUs as at January 1, 2024[2]	Vested during the Reporting Period	Weighted average closing price of Shares immediately before the vesting date	Lapsed during the Reporting Period	Cancelled during the Reporting Period	Unvested RSUs as at June 30, 2024[2]
Directors												
Mr. Xiaolu Weng[3]	December 19, 2022	2,550,000 RSUs: equally in 3 years installments; 1,000,000 RSUs: based on performance targets	US$0.001	based on valuation of the Company as set out in the Offer Letter	HK$3.07	US$0.3009	2,700,000	–	–	–	–	2,700,000
Other grantees in category (other than Directors, chief executive or substantial shareholders of the Company)												
17 Employee Participants in aggregate	Between July 3, 2019 to August 30, 2022	2,370,000 RSUs: vested over 3 to 4 years; 300,000 RSUs based on performance targets	US$0.00~0.10	based on Clinical Development Progress as set out in the Award Letter	HK$2.96	US$0.3487	887,500	152,500[4]	HK$2.03	–	–	735,000
Total							**3,587,500**	**152,500**		–	–	**3,435,000**

Notes:

(1) The fair value of RSUs are calculated in accordance with the accounting standards and policies adopted for preparing the Company's financial statements. The methodology and assumptions used was binominal tree price model. The assumptions include risk free rate and expected volatility.

(2) The unvested calculations exclude RSUs where the underlying Shares have been issued to Success Reach International Limited and Success Link International L.P.

(3) Mr. Xiaolu Weng resigned as an executive Director with effect from April 30, 2024.

(4) The purchase price of the RSUs vested during the Reporting Period is between US$0.00 per Share to US$0.001 per Share.

Other Information

2. *Share Incentive Scheme*

The Share Incentive Scheme was adopted pursuant to the written resolutions of the Shareholders passed on June 18, 2021 and amended on November 4, 2022 (the "**Scheme Amendment**"). Further details of the Share Incentive Scheme are set out in the circular published by the Company on October 16, 2022.

Maximum number of Awards (either to be satisfied by new Shares or existing Shares) and Options available for grant

The aggregate number of Shares underlying all grants made or to be made pursuant to the Share Incentive Scheme will not exceed 44,551,933 Shares without Shareholders' approval (the "**Share Incentive Scheme Limit**"). In addition, the maximum number of Shares that may be issued upon exercise of all Award Shares and Options to be granted to Service Providers under the Share Incentive Scheme (excluding Award Shares or Options that have been forfeited in accordance with the Share Incentive Scheme) and any other share schemes was 8,910,386 (the "**Service Provider Sublimit**")

As of January 1, 2024, 5,067,443 Awards or Options were available for future grant under the Share Incentive Scheme Limit and 5,067,443 Awards or Options were available for future grant under the Service Provider Sublimit. During the Reporting Period, 4,219,270 Awards and nil Options were granted to eligible participants pursuant to the Share Incentive Scheme, and 780,091 Awards (including 8,730 Awards that were granted prior to the scheme amendment on November 4, 2022) and 906,548 Options had lapsed in accordance with the rules of the Share Incentive Scheme, respectively. It follows that, as of June 30, 2024, 2,526,082 Awards or Options were available for future grant under the Share Incentive Scheme Limit and 2,526,082 Awards or Options were available for future grant under the Service Provider Sublimit.

Other Information

Outstanding Options granted under the Share Incentive Scheme

Details of the movements of the Options granted under the Share Incentive Scheme as at June 30, 2024 are as follows:

Name	Date of grant	Vesting period[1]	Exercise price	Performance targets	Closing price of Shares immediately before the date of grant	Fair value of the Options on the date of grant (per Option)[2]	Outstanding as at January 1, 2024	Granted during the Reporting Period	Exercised during the Reporting Period	Weighted average closing price of Shares immediately before the date of exercise	Lapsed during the Reporting Period	Cancelled during the Reporting Period	Outstanding as at June 30, 2024
Directors, chief executive or substantial shareholder													
Dr. Xueming Qian	December 19, 2022	400,000 Options: based on performance targets	HK$3.23	Upon the achievement of performance targets relating to market capitalization and various project milestone achievement on clinical development as set out in the relevant grant letter	HK$3.07	US$0.1552	400,000	–	–	–	–	–	400,000
	January 26, 2023	2,971,727 Options: vested over 3 years; and 669,297 Options: based on performance targets	HK$3.02	Upon milestone achievements of clinical development as set out in the relevant grant letter	HK$3.02	US$0.1622~ 0.1814	3,641,024	–	–	–	–	–	3,641,024
Dr. Yining Zhao[3]	December 19, 2022	4,000,000 Options: based on performance targets	HK$3.23	Upon the achievement of performance targets relating to various project milestone achievement on clinical development as set out in the relevant grant letter	HK$3.07	US$0.1604	4,000,000	–	–	–	–	–	4,000,000
	January 26, 2023	3,062,212 Options: vested over 3 years; and 1,790,969 Options: based on performance targets	HK$3.02	Upon milestone achievements of clinical development as set out in the relevant grant letter	HK$3.02	US$0.1259~ 0.1555	4,853,181	–	–	–	906,548	–	3,946,633

Other Information

Name	Date of grant	Vesting period[1]	Exercise price	Performance targets	Closing price of Shares immediately before the date of grant	Fair value of the Options on the date of grant (per Option)[2]	Outstanding as at January 1, 2024	Granted during the Reporting Period	Exercised during the Reporting Period	Weighted average closing price of Shares immediately before the date of exercise	Lapsed during the Reporting Period	Cancelled during the Reporting Period	Outstanding as at June 30, 2024
Other grantees in category (other than Directors, chief executive or substantial shareholders of the Company)													
21 Employee Participants in aggregate[4]	December 19, 2022	2,854,940 Options: over 1 to 4 years; 4,450,240 Options: based on performance targets.	HK$3.23	Upon the achievement of certain performance targets including various project milestone achievements on clinical development, CMC, and partnership as set out in the relevant grant letters	HK$3.07	US$0.1552~0.2375	6,731,340	–	–	–	–	–	6,731,340
2 Employee Participants in aggregate	March 31, 2023	50,000 Options will be vested over 1 to 4 years. 100,000 Options will be vested based on performance targets	HK$2.56	Upon success of business development and Company coverage	HK$2.56	US$0.1428~0.1781	150,000	–	–	–	–	–	150,000
Total							**19,775,545**	**–**	**–**		**906,548**	**–**	**18,868,997**

Notes:

(1) The exercise period of the Options shall be 10 years from the date of grant, subject to the terms of the Share Incentive Scheme and the relevant grant letter.

(2) The fair value of Options are calculated in accordance with the accounting standards and policies adopted for preparing the Company's financial statements. The methodology and assumptions used was binominal tree price model. The assumptions include risk free rate and expected volatility.

(3) Dr. Yining Zhao resigned as chairman of the Board and non-executive Director with effect from June 7, 2024.

(4) Includes 891,976 Options granted to Dr. Li Xu, who was appointed as a non-executive Director with effect from August 28, 2024.

Other Information

Outstanding Awards granted under the Share Incentive Scheme

Details of the movements of the Awards granted under the Share Incentive Scheme as at June 30, 2024 are as follows:

Name	Date of grant	Vesting period	Purchase price (per Share)	Performance target	Closing price of Shares immediately before the date of grant	Fair value of Awards on the date of grant (per Award)[1]	Unvested Awards as at January 1, 2024	Granted during the Reporting Period	Vested during the Reporting Period	Weighted average closing price of Shares immediately before the vesting date	Lapsed during the Reporting Period	Cancelled during the Reporting Period	Unvested Awards as at June 30, 2024
Directors, chief executive or substantial shareholder													
Dr. Xueming Qian	January 26, 2023	Based on performance targets	US$0.001	Upon target achievements on Company's valuation or market capitalization	HK$3.02	US$0.3002	4,277,188	–	–	–	–	–	4,277,188
Dr. Yining Zhao[2]	January 26, 2023	To be vested from January 26, 2024 to January 26, 2025	US$0.001	–	HK$3.02	US$0.3001	198,997	–	99,499	HK$3.5	99,498	–	–
Mr. Xiaolu Weng[3]	December 27, 2023	To be vested from December 27, 2024 to December 27, 2025	US$0.001	–	HK$2.61	US$0.3662	400,000	–	–	–	–	–	400,000
	January 26, 2024	One year from the date of grant	US$0.000	–	HK$3.50	US$0.4324	–	203,960	–	–	–	–	203,960
Mr. Jiasong Tang	December 19, 2022	10,000 Awards will vest on September 29, 2024	US$0.000	–	HK$3.07	US$0.3858	10,000	–	–	–	–	–	10,000
Mr. Zhihua Zhang	December 19, 2022	10,000 Awards will vest on September 29, 2024	US$0.000	–	HK$3.07	US$0.3858	10,000	–	–	–	–	–	10,000
Dr. Kumar Srinivasan	April 6, 2023	20,000 Award Shares will be vested from April 6, 2025 to April 6, 2026.	US$0.000	–	HK$2.73	US$0.3418	30,000	–	10,000	HK$1.89	–	–	20,000
Ms. Helen Wei Chen	December 27, 2023	To be vested from December 27, 2024 to December 27, 2026	US$0.000	–	HK$2.61	US$0.3670	30,000	–	–	–	–	–	30,000

Other Information

Name	Date of grant	Vesting period	Purchase price (per Share)	Performance target	Closing price of Shares immediately before the date of grant	Fair value of Awards on the date of grant (per Award)[1]	Unvested Awards as at January 1, 2024	Granted during the Reporting Period	Vested during the Reporting Period	Weighted average closing price of Shares immediately before the vesting date	Lapsed during the Reporting Period	Cancelled during the Reporting Period	Unvested Awards as at June 30, 2024
Senior management													
Dr. Caroline Germa	December 19, 2022	To be vested from August 8, 2023 to August 8, 2026	US$0.001	–	HK$3.07	US$0.3850	2,250,000	–	–	–	–	–	2,250,000
	March 31, 2023	Based on performance targets	US$0.001	Upon target achievements of clinical development progress milestones for several programs	HK$2.56	US$0.3093~ 0.3094	1,500,000	–	–	–	–	–	1,500,000
	April 6, 2023	Based on performance targets	US$0.001	Upon target achievements of clinical development progress milestones for several programs	HK$2.73	US$0.3410	500,000	–	–	–	–	–	500,000
	December 27, 2023	To be vested from December 27, 2024 to December 27, 2025	US$0.000	–	HK$2.61	US$0.3670	100,000	–	–	–	–	–	100,000
	January 26, 2024	One year from the date of grant	US$0.000	–	HK$3.50	US$0.4324	–	305,620	–	–	–	–	305,620

Other Information

Name	Date of grant	Vesting period	Purchase price (per Share)	Performance target	Closing price of Shares immediately before the date of grant	Fair value of Awards on the date of grant (per Award)[1]	Unvested Awards as at January 1, 2024	Granted during the Reporting Period	Vested during the Reporting Period	Weighted average closing price of Shares immediately before the vesting date	Lapsed during the Reporting Period	Cancelled during the Reporting Period	Unvested Awards as at June 30, 2024
Other grantees in category (other than Directors, chief executive or substantial shareholders of the Company)													
270 Employee Participants in aggregate[4]	April 15, 2022	1,470,360 Awards: will vest over 3 years	US$0.00	–	HK$7.15	US$0.9117	294,550	–	–	–	8,730	–	285,820
89 Employee Participants in aggregate	December 19, 2022	1,675,160 Awards: will vest over 1 to 4 years; 300,000 Awards based on performance targets	US$0.00	Upon the achievement of certain performance targets on CMC, clinical development and partnership	HK$3.07	US$0.3858	1,329,046	–	–	–	44,833	–	1,284,213
5 Employee Participants in aggregate	March 31, 2023	To be vested over 1 to four 4 years	US$0.00	–	HK$2.56	US$0.3101	310,000	–	87,500	HK$2.08	–	–	222,500
231 Employee Participants in aggregate	July 21, 2023	2,492,800 Award Shares will be vested over 1 to 4 years; 300,000 Award Shares based on performance targets	US$0.00	Upon target achievements of milestones for drug discovery, clinical development, regulatory approval and partnership development of several programs	HK$5.1	US$0.6559	1,783,700	–	–	–	541,400	–	1,242,300
31 Employee Participants in aggregate[5]	December 27, 2023	To be vested over 1 to 4 years	US$0.00	–	HK$2.61	US$0.3670	1,353,000	–	–	–	40,000	–	1,313,000
203 Employees Participants in aggregate[6]	January 26, 2024	One year from the date of grant	US$0.00	–	HK$3.50	US$0.4324	–	3,709,690	–	–	45,630	–	3,664,060
Total							**14,376,481**	**4,219,270**	**196,999**		**780,091**	**–**	**17,618,661**

Other Information

Notes:

(1) The fair value of Awards are calculated in accordance with the accounting standards and policies adopted for preparing the Company's financial statements. The methodology and assumptions used was binominal tree price model. The assumptions include risk free rate and expected volatility.

(2) Dr. Yining Zhao resigned as chairman of the Board and non-executive Director with effect from June 7, 2024.

(3) Mr. Xiaolu Weng resigned as an executive Director with effect from April 30, 2024.

(4) Includes 8,020 outstanding Awards granted to Dr. Li Xu, who was appointed as a non-executive Director with effect from August 28, 2024.

(5) Includes 150,000 Awards granted to Dr. Li Xu.

(6) Includes 461,640 Awards granted to Dr. Li Xu.

For further details of the Awards granted under the Share Incentive Scheme during the Reporting Period, please refer to the announcements published by the Company on January 26, 2024 and March 25, 2024 and circular published by the Company on March 5, 2024.

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

During the Reporting Period, the Company repurchased a total of 2,142,500 ordinary shares (the "**Shares Repurchased**") of the Company on the Stock Exchange at an aggregate consideration of approximately HK$3,595,869.75. The repurchase was effected for the enhancement of the Company value and the benefits of the Company and the Shareholders as a whole. Particulars of the Shares Repurchased are as follows:

Month of Repurchase	No. of Shares Repurchased	Repurchase price per share or highest repurchase price per share *(HK$)*	Lowest repurchase price per share *(HK$)*	Aggregate Consideration (approximately) *(HK$)*
2024				
April	300,500	1.7850	1.2000	487,599.75
May	985,500	1.8905	1.6300	1,783,994.80
June	856,500	1.7745	1.2900	1,324,275.20
Total	2,142,500			3,595,869.75

The aforesaid Shares Repurchased were cancelled on August 29, 2024.

Save as disclosed above and in the section headed "Other Financial Information", neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's securities (including any sale of treasury shares (as defined under the Listing Rules)) listed on the Stock Exchange during the Reporting Period. As at June 30, 2024, the Company did not hold any treasury shares.

MATERIAL LITIGATION

The Company was not involved in any material litigation or arbitration during the six months ended June 30, 2024. The Directors are also not aware of any material litigation or claims that are pending or threatened against the Group during the six months ended June 30, 2024.

Other Information

USE OF NET PROCEEDS

With the shares of the Company listed on the Stock Exchange on September 29, 2021 and based on the offer price of HK$16.00 per offer share, the net proceeds from the global offering were approximately HK$553.4 million (the "**Net Proceeds**").

As disclosed in announcement of the Company dated March 30, 2023, the Board has resolved to change the intended use of Net Proceeds and remove the investment from MSB2311 and put them into TST001 (the "**Change in Use of Net Proceeds**"). On the same date as this report, the Board has resolved to further change the intended use of remaining unutilized Net Proceeds by reallocating HK$30.0 million from business development to fund the development of osemitamab (TST001) (the "**Further Change in Use of Net Proceeds**") based on the reasons disclosed in the section "Reasons for the Further Change in Use of Net Proceeds" below. The table below sets out the utilization of Net Proceeds as at June 30, 2024 and the latest change in the applications of the remaining unutilized Net Proceeds:

Use of Net Proceeds	Intended allocation of Net Proceeds after the Change in Use of Net Proceeds		Utilized amount during the financial year ended December 31, 2023	Unutilized net proceeds as at January 1, 2024	Utilized amount during the Reporting Period	Unutilized net proceeds as at June 30, 2024	Intended allocation of the remaining unutilized Net Proceeds after the Further Change in Use of Net Proceeds		Expected timeline of full utilization of the remaining unutilized Net Proceeds
	% of Net Proceeds (approximately)	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million	% of remaining unutilized Net Proceeds (approximately)	HK$ million	
1. Research and development of our pipeline product candidates, funding of ongoing and planned clinical and preclinical trials, preparation for registration filings and other steps or activities related to the commercialization of our four anchor products as follows:	82	453.8	214.4	239.4	169.5	69.9	87	99.9	On or before December 31, 2025
(i) fund ongoing and planned clinical trials, preparation for registration filings and potential commercial launch (including sales and marketing) of our key product, Osemitamab (TST001)	50	276.7	123.9	152.8	152.8	–	26	30.0	On or before December 31, 2025
(ii) fund ongoing and planned clinical trials, preparation for registration filings and potential commercial launch (including sales and marketing) of our key product, TST005	10	55.3	2.6	52.7	8.3	44.4	39	44.4	On or before December 31, 2025

Other Information

Use of Net Proceeds		Intended allocation of Net Proceeds after the Change in Use of Net Proceeds		Utilized amount during the financial year ended December 31, 2023	Unutilized net proceeds as at January 1, 2024	Utilized amount during the Reporting Period	Unutilized net proceeds as at June 30, 2024	Intended allocation of the remaining unutilized Net Proceeds after the Further Change in Use of Net Proceeds		Expected timeline of full utilization of the remaining unutilized Net Proceeds
		% of Net Proceeds (approximately)	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million	% of remaining unutilized Net Proceeds (approximately)	HK$ million	
	(iii) fund ongoing and planned clinical trials, preparation for registration filings and potential commercial launch (including sales and marketing) of our key product, TST002	10	55.3	29.7	25.6	0.1	25.5	22	25.5	On or before December 31, 2025
	(iv) fund ongoing and planned pre-clinical trials and preparation for registration filings of our key product and other pipeline products, including TST004, MSB0254, TST003, TST006 and TST008	12	66.5	58.2	8.3	8.3	–	–	–	N/A
2.	Fund the business development for pipeline expansion and technology development, with a focus in oncology assets that have synergy with our current pipeline and promising clinical evidences, and/or technology platforms that can complement our current discovery and development platforms, such as ADC, small molecule targeted therapies, and other advanced new technologies	8	44.3	–	44.3	–	44.3	13	14.3	On or before December 31, 2025
3.	For general working capital purposes and general operation expenses	10	55.3	55.3	–	–	–	–	–	N/A
Total		**100**	**553.4**	**269.7**	**283.7**	**169.5**	**114.2**	**100**	**114.2**	

For detailed description of the intended use of proceeds, please refer to the section headed "Future plans and use of proceeds" in the Prospectus.

Other Information

REASONS FOR THE FURTHER CHANGE IN USE OF NET PROCEEDS

The Further Change in Use of Net Proceeds represents the Company's aim to optimize the deployment of financial resources under changing market conditions, which is in line with the Group's overall and long-term business strategy. Considering our advantage in osemitamab (TST001), one of the most advanced investigational humanized monoclonal antibody targeting Claudin18.2 globally, with its huge potential in multiple indications and significant commercial value foresaw, the Company proposed to focus on osemitambab (TST001) in order to improve the return on investments and for the best benefits of the shareholders and the long term growth and value creation of the Company. The Board will closely monitor the utilization of the Net Proceeds. The Board further confirms that there is no material change in the business of the Group as set out in the Prospectus. The Board considers that the Further Change in Use of Net Proceeds will not have any material adverse impact on the operations of the Group and is in line with our vision and in the best interests of the Company and its shareholders as a whole.

We expect to gradually utilize the Net Proceeds, in accordance with the Further Change in Use of Net Proceeds detailed above, by the end of 2025. The aforesaid expected timeline of full utilization of the Net Proceeds is based on the Directors' best estimation barring unforeseen circumstances, and is subject to change in light of future development or any unforeseen circumstances. Save for the above, there is no other change in use of the Net Proceeds.

AUDIT COMMITTEE

The Company has established the Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the CG Code. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal controls system of our Group, review and approve connected transaction (if any) and provide advice and comments to the Board. The Audit Committee comprises three members as at the date of this report, namely Mr. Jiasong Tang (唐稼松), Mr. Zhihua Zhang (張志華) and Dr. Li Xu (徐莉), with Mr. Jiasong Tang (唐稼松) (being our independent non-executive Director with the appropriate professional qualifications) as chair of the Audit Committee.

Following the resignation of Dr. Yining Zhao (趙奕寧) with effect from June 7, 2024, the composition of the Audit Committee only comprises two members, which results in the number of Audit Committee members falling below the minimum number required under Rule 3.21 of the Listing Rules. Immediately upon the appointment of Dr. Li Xu ("**Dr. Xu**") as a non-executive Director and a member of the Audit Committee as disclosed in announcement of the Company dated August 28, 2024, the Company has re-complied with the requirement under Rule 3.21 of the Listing Rules.

The Audit Committee has reviewed the unaudited consolidated financial statements of the Group for the six months ended June 30, 2024 and has met with the independent auditor, Deloitte Touche Tohmatsu. The Audit Committee has also discussed matters with respect to the accounting policies and practices adopted by the Company, internal control and financial reporting matters with senior management members of the Group. The Audit Committee considers that this interim report is in compliance with the relevant accounting standards, rules and regulations and appropriate disclosures have been duly made.

Other Information

OTHER BOARD COMMITTEES

In addition to the Audit Committee, the Company has also established a nomination committee and a remuneration committee.

FUTURE PLANS FOR MATERIAL INVESTMENT OR CAPITAL ASSETS

Save as disclosed in this interim report, the Group does not have other plans for material investments and capital assets as at the date of this report.

CHANGES TO DIRECTORS' INFORMATION

Save as disclosed herein, the Directors confirm that no information is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules as at the date of this report since the last published annual report:

- Mr. Xiaolu Weng resigned as an executive Director of the Company with effect from April 30, 2024 but he remains as the Chief Financial Officer of the Company.
- Dr. Yining Zhao resigned as chairman of the Board and non-executive Director of the Company with effect from June 7, 2024.
- Dr. Xueming Qian, the executive Director and chief executive officer of the Company, has been appointed as the chairman of the Board with effect from June 7, 2024.
- Dr. Li Xu has been appointed as a non-executive Director of the Company and a member of Audit Committee with effect from August 28, 2024.

CORPORATE GOVERNANCE PRACTICES

The Company was incorporated under the laws of the British Virgin Islands on August 20, 2010 and continued in the Cayman Islands on March 26, 2021 as an exempted company with limited liability, and the Shares of the Company were listed on the Main Board of the Stock Exchange on September 29, 2021.

The Company is committed to maintaining and promoting stringent corporate governance. The principle of the Company's corporate governance is to promote effective internal control measures and to enhance the transparency and accountability of the Board to all Shareholders. The Board believes that high corporate governance standards are essential in providing a framework for the Group to safeguard the interests of Shareholders and to enhance corporate value and accountability.

During the Reporting Period and up to the date of this report, the Company has complied with all the code provisions of the CG Code set forth in Part 2 of Appendix C1 to the Listing Rules, save for the following.

Pursuant to code provision C.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Following the appointment of Dr. Qian as the chairman of the Board with effect from June 7, 2024, Dr. Qian will serve as both the chairman of the Board and the chief executive officer. The nomination committee of the Board is of the view and the Board agrees that despite deviating from the Corporate Governance Code, Dr. Qian will provide solid and continuous leadership to the Group with his extensive experience and knowledge in management and the support of other members of the Board.

Other Information

Further, vesting the roles of both chairman and chief executive officer in the same person has the benefit of ensuring consistent leadership within the Group and enabling more effective and efficient overall strategic planning for the Group. The Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable the Company to make and implement decisions promptly and effectively. As at date of this report, the Board currently comprises only one executive Director, one non-executive Director and four independent non-executive Directors, the majority of the Board will consist of independent non-executive Directors who will be able to assist in scrutinising important decisions and monitoring the exercise of power by Dr. Qian, being both the chairman and chief executive officer, the Directors are therefore of the view that there is a fairly strong independence element in the Board's composition and an appropriate delegation of authorities to the management. The Board will continue to review and consider segregating the roles of chairman of the Board and chief executive officer of the Company at an appropriate time, taking into account the circumstances of the Group as a whole. The Company will continue to regularly review and monitor its corporate governance practices to ensure compliance and alignment with the latest measures and standards set out in the CG Code, and maintain a high standard of corporate governance practices of the Company. The Company will report its compliance with the CG Code in the corporate governance report of the Company for the year ending December 31, 2024.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules as its own securities dealing code to regulate all dealings by Directors and relevant employees in securities of the Company and other matters covered by the Model Code.

Specific enquiry has been made of all the Directors and they have confirmed that they have complied with the Model Code during the six months ended June 30, 2024. No incident of non-compliance of the Model Code by the relevant employees has been noted by the Company during the six months ended June 30, 2024.

INTERIM DIVIDEND

The Board does not recommend the distribution of an interim dividend for the six months ended June 30, 2024.

Hong Kong, August 28, 2024

Report on Review of Condensed Consolidated Financial Statements

TO THE BOARD OF DIRECTORS OF TRANSCENTA HOLDING LIMITED
(Incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the condensed consolidated financial statements of Transcenta Holding Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 46 to 66, which comprise the condensed consolidated statement of financial position as of 30 June 2024 and the related condensed consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended, and certain explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34") issued by the International Accounting Standards Board. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with IAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" ("HKSRE 2410") issued by the Hong Kong Institute of Certified Public Accountants. A review of these condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
28 August 2024

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

FOR THE SIX MONTHS ENDED 30 JUNE 2024

	NOTES	Six months ended 30 June	
		2024	2023
		RMB'000	RMB'000
		(Unaudited)	(Unaudited)
Revenue	3	**4,564**	36,084
Cost of sales		**(3,040)**	(25,972)
Gross profit		**1,524**	10,112
Other income	5	**9,570**	17,585
Other gains and losses, net	6	**1,038**	9,279
Impairment losses under expected credit loss model		**(4,361)**	(267)
Research and development expenses		**(102,965)**	(207,940)
Administrative and selling expenses		**(31,440)**	(57,954)
Share of results of a joint venture		**(11)**	51
Finance costs		**(7,202)**	(8,626)
Loss before tax	8	**(133,847)**	(237,760)
Income tax credit	7	**125**	113
Loss for the period		**(133,722)**	(237,647)
Other comprehensive expense for the period			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of a foreign operation		**(1,463)**	(7,658)
Total comprehensive expense for the period		**(135,185)**	(245,305)
Loss per share	10		
– Basic and diluted (RMB)		**(0.33)**	(0.58)

Condensed Consolidated Statement of Financial Position

AT 30 JUNE 2024

	NOTES	At 30 June 2024 RMB'000 (Unaudited)	At 31 December 2023 RMB'000 (Audited)
Non-current assets			
Property, plant and equipment	11	**369,230**	388,623
Right-of-use assets		**42,059**	44,912
Goodwill		**471,901**	471,901
Interests in a joint venture	12	**1,251**	1,262
Deposits paid for acquisition of property, plant and equipment		**1,977**	5,922
Intangible assets		**95,786**	95,860
Other receivables	13	**496**	496
Pledged bank deposits		**280**	280
		982,980	1,009,256
Current assets			
Inventories		**17,230**	17,907
Trade and other receivables	13	**40,695**	52,316
Contract costs	14	**10,451**	11,555
Value-added-tax recoverable		**6,885**	6,239
Pledged bank deposits		**50,000**	50,000
Bank balances and cash		**365,009**	546,026
		490,270	684,043
Current liabilities			
Trade and other payables	15	**126,741**	164,044
Contract liabilities		**1,536**	587
Short-term overdrafts	16	**313,220**	376,920
Lease liabilities		**3,667**	4,741
Deferred income	17	**8,000**	8,000
		453,164	554,292
Net current assets		**37,106**	129,751
Total assets less current liabilities		**1,020,086**	1,139,007

Condensed Consolidated Statement of Financial Position

AT 30 JUNE 2024

	NOTES	At 30 June 2024 RMB'000 (Unaudited)	At 31 December 2023 RMB'000 (Audited)
Non-current liabilities			
Long-term overdrafts	16	**22,200**	10,500
Lease liabilities		**16,195**	17,466
Deferred income	17	**54,700**	58,300
Deferred tax liabilities		**24,983**	25,108
		118,078	111,374
Net assets		**902,008**	1,027,633
Capital and reserves			
Share capital	18	**284**	283
Treasury shares	18	**(3,283)**	(17)
Reserves		**905,007**	1,027,367
Total equity		**902,008**	1,027,633

Condensed Consolidated Statement of Changes in Equity

FOR THE SIX MONTHS ENDED 30 JUNE 2024

	Attributable to owners of the Company								
	Share capital RMB'000 (Note 18)	Share premium RMB'000	Treasury shares RMB'000 (Note 18)	Shares held for share award scheme RMB'000 (Note 18)	Other reserves RMB'000 (Note)	Share-based payment reserve RMB'000	Accumulated losses RMB'000	Translation reserve RMB'000	Total RMB'000
At 1 January 2023 (Audited)	272	4,665,983	(9)	–	(231,245)	91,308	(3,046,549)	(5,860)	1,473,900
Total comprehensive expense for the period	–	–	–	–	–	–	(237,647)	(7,658)	(245,305)
Share repurchased	–	–	(4,680)	–	–	–	–	–	(4,680)
Cancellation of share repurchased	(1)	(4,681)	4,682	–	–	–	–	–	–
Recognition of equity- settled share- based payment	–	–	–	–	–	13,337	–	–	13,337
Issuance of shares hold on trust	4	–	(4)	–	–	–	–	–	–
Exercise of share options	–*	693	–	–	–	(476)	–	–	217
At 30 June 2023 (Unaudited)	275	4,661,995	(11)	–	(231,245)	104,169	(3,284,196)	(13,518)	1,237,469
At 1 January 2024 (Audited)	**283**	**4,657,628**	**(17)**	**–**	**(231,245)**	**119,063**	**(3,509,119)**	**(8,960)**	**1,027,633**
Total comprehensive expense for the period	**–**	**–**	**–**	**–**	**–**	**–**	**(133,722)**	**(1,463)**	**(135,185)**
Share repurchased	**–**	**–**	**(3,283)**	**–**	**–**	**–**	**–**	**–**	**(3,283)**
Recognition of equity- settled share- based payment	**–**	**–**	**–**	**–**	**–**	**12,824**	**–**	**–**	**12,824**
Transfer	**–**	**–**	**17**	**(17)**	**–**	**–**	**–**	**–**	**–**
Issuance of shares hold on trust	**1**	**–**	**–**	**(1)**	**–**	**–**	**–**	**–**	**–**
Exercise of share options	**–***	**31**	**–**	**–***	**–**	**(12)**	**–**	**–**	**19**
At 30 June 2024 (Unaudited)	**284**	**4,657,659**	**(3,283)**	**(18)**	**(231,245)**	**131,875**	**(3,642,841)**	**(10,423)**	**902,008**

Note: Other reserves include i) effect of share purchase options written to non-controlling shareholders of Suzhou Transcenta Therapeutics Co., Ltd.** ("Suzhou Transcenta") (蘇州創勝集團醫藥有限公司) and HJB (Hangzhou) Co., Ltd.** ("HJB Hangzhou") (杭州奕安濟世生物藥業有限公司) for converting their equity interests in Suzhou Transcenta and HJB Hangzhou to preferred shares of Transcenta Holding Limited (the "Company") in the year 2020; ii) effect of exercise of such share purchase options by these non-controlling shareholders, and iii) difference between the consideration paid and share of subsidiaries' net assets acquired from non-controlling shareholders.

* *Amount is less than RMB1,000.*

** *English names are for identification only.*

Condensed Consolidated Statement of Cash Flows

FOR THE SIX MONTHS ENDED 30 JUNE 2024

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
NET CASH USED IN OPERATING ACTIVITIES	**(119,462)**	(197,672)
INVESTING ACTIVITIES		
Interest received from banks	**4,394**	20,052
Purchase of property, plant and equipment	**(1,566)**	(15,373)
Refund of rental deposits	**–**	167
Withdrawal of restricted bank deposits	**–**	41,788
NET CASH FROM INVESTING ACTIVITIES	**2,828**	46,634
FINANCING ACTIVITIES		
New overdrafts raised	**116,500**	250,000
Repayment of overdrafts	**(168,500)**	(223,710)
Repayments of lease liabilities	**(2,765)**	(3,170)
Receipt of proceeds in connection to exercise of share options	**19**	217
Payment on repurchase and cancellation of ordinary shares	**(3,283)**	(4,680)
Interest paid	**(6,849)**	(8,115)
NET CASH (USED IN) FROM FINANCING ACTIVITIES	**(64,878)**	10,542
NET DECREASE IN CASH AND CASH EQUIVALENTS	**(181,512)**	(140,496)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD, REPRESENTING BY BANK BALANCES AND CASH	**546,026**	895,450
Effects of foreign exchange rate changes	**495**	2,967
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD, REPRESENTED BY BANK BALANCES AND CASH	**365,009**	757,921

Notes to the Condensed Consolidated Financial Statements

FOR THE SIX MONTHS ENDED 30 JUNE 2024

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 ("IAS 34") "Interim Financial Reporting" issued by the international Accounting Standard Board ("IASB") as well as with the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Going concern assessment

The Group incurred a net loss of RMB133,722,000 and a net operating cash outflow of RMB119,462,000 for the six-month period ended 30 June 2024, and as of that date, the Group has net current assets of approximately RMB37,106,000, which consists of bank balances and cash of approximately RMB365,009,000 and short-term overdrafts of approximately RMB313,220,000 and trade and other payables of approximately RMB126,741,000. The Group's ability to continue as a going concern is dependent on its ability to obtain sufficient financing resources to meet its financial obligations when they fall due. The Group is actively improving the liquidity and cashflow by implementing different plans and measures, including but not limited to the followings:

(i) As set out in note 3 to the condensed consolidated financial statements, the Group provides contract development and manufacturing ("CDMO") services and research and development services. The Group is actively engaging new CDMO customers and up to the date of approval of these condensed consolidated financial statements, a framework agreement with a new customer has been signed;

(ii) The Group is actively in negotiation with various parties for capital fundings. Up to the date of approval of these condensed consolidated financial statements, the Group has received indicative offers from various counter parties regarding capital funding;

(iii) The Group has ongoing communications with various banks and it is anticipated that it will be able to renew the existing bank borrowings upon their maturity or obtaining new bank borrowings if necessary. The directors are in of the opinion that the existing bank borrowings can be renewed giving the fact Group had renewed various bank borrowings during the year ended 31 December 2023 and the six-month period ended 30 June 2024;

(iv) The Group has been initiated discussions with a bank so that the Group can secure a borrowing through the pledge of the Group's property, plant and equipment and right of use assets. In light of the past historical record and the value of collateral for the borrowings, the directors do not foresee any circumstance that would result in the Group not being able to obtain the secured loan if necessary; and

(v) The Group is implementing initiatives to align its resources more effectively and efficiently with the Group's strategic objectives to continue advancing its core products, including but not limited to, the evaluation of existing projects to prioritize essential investments in research and development and optimize the task force.

Notes to the Condensed Consolidated Financial Statements

FOR THE SIX MONTHS ENDED 30 JUNE 2024

1. BASIS OF PREPARATION *(Continued)*

Going concern assessment (Continued)

The Group performed an assessment of the Group's future liquidity and cash flows, which included preparing a cashflow projection for the Group which cover at least twelve months from the date of condensed consolidated financial statements and a review of assumption about the likelihood of success of the plans and measures being implemented to ensure the Group's financing needs. When preparing the condensed consolidated financial statements for the six-month period ended 30 June 2024, the directors, are of the opinion that the Group will be able to implement the above measures and the Group will have sufficient financial resources to operate as a going concern. Accordingly, the Group continue to adopt the going concern basis of accounting in preparing the condensed consolidated financial statements.

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments, which are measured at fair values, as appropriate.

Other than additional accounting policies resulting from application of amendments to International Financial Reporting Standards ("IFRSs"), the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2024 are the same as those presented in the Group's annual consolidated financial statements for the year ended 31 December 2023.

Application of amendments to IFRSs

In the current interim period, the Group has applied the following amendments to IFRSs issued by the IASB, for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2024 for the preparation of the Group's condensed consolidated financial statements:

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

The application of the amendments to IFRSs in the current interim period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

Notes to the Condensed Consolidated Financial Statements

FOR THE SIX MONTHS ENDED 30 JUNE 2024

3. REVENUE

Disaggregated revenue information:

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
CDMO services	**4,564**	36,084

4. SEGMENT INFORMATION

Operating segments are identified on the basis of internal reports about components' of the Group that are regularly reviewed by the chief operating decision maker ("CODM"), which is also identified as the chief executive officer of the Group, in order to allocate resources to segments and to assess their performance. During the current interim period, the CODM assesses the operating performance and allocated the resources of the Group as a whole as the Group is primarily engaged in the discovering, developing, manufacturing and commercializing novel drugs. Therefore, the CODM considers the Group only has one operating segment.

Geographical information

The Group's operations are located in the People's Republic of China (the "PRC") and the United States of America (the "USA").

All the Group's revenue from external customers is derived from the PRC operations. As at 30 June 2024 and 31 December 2023, all the non-current assets are located in the PRC.

Information about major customers

Revenue from customers contributing over 10% of the total revenue of the Group are as follows:

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Customer A	**1,763**	N/A
Customer B	**607**	–
Customer C	**N/A**	16,235
Customer D	**–**	7,300

N/A: not disclosed as amounts less than 10% of total revenue.

Notes to the Condensed Consolidated Financial Statements

FOR THE SIX MONTHS ENDED 30 JUNE 2024

5. OTHER INCOME

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Bank interest income	**2,132**	8,518
Government grants (Note)	**7,438**	9,067
	9,570	17,585

Note: The amount represents 1) various subsidies granted by the PRC local government authorities to group entities as incentives for the Group's research and development activities. The government grants were unconditional and had been approved by the PRC local government authorities, which are recognised when payments were received; and 2) amortisation of subsidies received from the PRC local government authorities to subsidize the purchase of the Group's property, plant and equipment.

6. OTHER GAINS AND LOSSES, NET

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Net foreign exchange gain	**1,407**	9,142
Others	**(369)**	137
	1,038	9,279

7. INCOME TAX CREDIT

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
PRC Enterprise Income Tax:		
Under provision in prior years	**–**	(12)
Deferred tax:		
Current period	**125**	125
	125	113

Notes to the Condensed Consolidated Financial Statements

FOR THE SIX MONTHS ENDED 30 JUNE 2024

8. LOSS BEFORE TAX

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Loss for the period has been arrived at after charging:		
Selling expenses (included in administrative and selling expenses)	**877**	1,898
Depreciation of property, plant and equipment	**23,911**	25,493
Amortization of intangible assets	**74**	76
Depreciation of right-of-use assets	**2,853**	3,136
	26,838	28,705
Capitalized in the ending balance of contract costs	**(233)**	(83)
Capitalized in the ending balance of construction in progress	**(299)**	(299)
	26,306	28,323
Auditors' remuneration	**1,354**	1,650
Directors' emoluments (Note)	**2,743**	13,589
Other staff costs:		
– salaries and other benefits	**39,247**	65,173
– retirement benefit scheme contributions	**17,400**	13,611
– share-based payments	**11,075**	6,343
	70,465	98,716
Capitalized in the ending balance of contract costs	**(1,058)**	(2,984)
	69,407	95,732

Note: Mr. Xiaolu Weng resigned as an executive Director on April 30, 2024, and Dr. Yining Zhao resigned as chairman of the Board and non-executive Director on June 7, 2024. Only the emoluments before their resignation are included in directors' emoluments.

9. DIVIDENDS

No dividends were paid, declared or proposed during the interim period. The directors of the Company have determined that no dividend will be paid in respect of the interim period.

Notes to the Condensed Consolidated Financial Statements

FOR THE SIX MONTHS ENDED 30 JUNE 2024

10. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to the owners of the Company is based on the following data:

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Loss		
Loss for the period attributable to the owners of the Company for the purposes of calculating basic and diluted loss per share	**(133,722)**	(237,647)
Number of weighted average ordinary shares		
Weighted average number of ordinary shares for the purpose of calculating basic and diluted loss per share	**405,633,640**	407,713,327

For six months ended 30 June 2024 and 2023, the number of treasury shares and shares held for share award scheme were excluded from the total number of shares of the Company for the computation of basic loss per share.

For six months ended 30 June 2024 and 2023, the computation of diluted loss per share did not assume the exercise of share options and the vesting of restricted share units since their assumed exercise would result in a decrease in loss per share.

11. MOVEMENT IN PROPERTY, PLANT AND EQUIPMENT

During the current interim period, the Group paid RMB1,566,000 (six months ended 30 June 2023: RMB15,373,000) on acquisition of new property, plant and equipment. There was no significant disposal or write off of property, plant and equipment during the current and prior interim period.

Notes to the Condensed Consolidated Financial Statements

FOR THE SIX MONTHS ENDED 30 JUNE 2024

12. INTERESTS IN A JOINT VENTURE

In November 2020, Suzhou Transcenta, a wholly-owned subsidiary of the Company, and Shanghai Alebund Pharmaceuticals Limited* (上海禮邦醫藥科技有限公司) ("Alebund Pharmaceuticals") entered into a framework agreement to set up Lisheng Biotech (Shanghai) Co., Ltd.* (禮勝生物醫藥(上海)有限公司) ("Lisheng"), a joint venture, to co-develop pipeline TST004. In accordance with the framework agreement, Suzhou Transcenta shall pay RMB500,000 as investment cost in Lisheng which represents the entire ownership interest of Lisheng initially. Alebund Pharmaceuticals shall then contribute a total of RMB60,837,000 (equivalent to approximately US$9,000,000) into Lisheng in five instalments subject to the achievement of certain research and development milestones as stipulated in the framework agreement. Upon the entire amount being contributed by Alebund Pharmaceuticals, the ownership interest in Lisheng will eventually be owned as 50% by Suzhou Transcenta and 50% by Alebund Pharmaceuticals. As part of the framework agreement, an ancillary collaboration and licensing agreement were entered into between Suzhou Transcenta, Alebund Pharmaceuticals and Lisheng in December 2020 pursuant to which Suzhou Transcenta shall out-license an irrevocable, permanent, exclusive and sub-licensable license to research, develop, commercialize, use, import, commit to sell, export and sell a licensed product, which is defined as a formulation with TST004 as the only active pharmaceutical ingredient, in Greater China region to Lisheng.

No further investment was made to Lisheng during the current interim period. As of 31 December 2023 and 30 June 2024, Alebund Pharmaceuticals has paid a total amount of RMB48,700,000 (equivalent to approximately US$7,200,000), and the ownership interest of Lisheng held by Suzhou Transcenta is 55.56%.

* *English names are for identification only.*

Notes to the Condensed Consolidated Financial Statements

FOR THE SIX MONTHS ENDED 30 JUNE 2024

13. TRADE AND OTHER RECEIVABLES

Details of trade and other receivables are as follows:

	At 30 June 2024 RMB'000 (Unaudited)	At 31 December 2023 RMB'000 (Audited)
Trade receivables	**35,024**	38,856
Less: Allowance for credit losses	**(5,561)**	(1,200)
Trade receivables, net of allowance for credit losses	**29,463**	37,656
Interest receivables	**6**	2,268
Prepayments for:		
Research and development services	**7,181**	8,028
Legal and professional services	**1,929**	2,182
Purchase of raw materials	**929**	1,074
	10,039	11,284
Other receivables		
Refundable rental deposits	**1,419**	1,419
Others	**264**	460
	1,683	1,879
Less: Allowance for credit losses	**–**	(275)
Other receivables, net of allowance for credit losses	**1,683**	1,604
Total	**41,191**	52,812
Analyzed as:		
Non-current	**496**	496
Current	**40,695**	52,316
	41,191	52,812

The Group normally grants a credit period of 30-90 days or a particular period agreed with customers effective from the date when the services have been completed and accepted by customers.

Notes to the Condensed Consolidated Financial Statements

FOR THE SIX MONTHS ENDED 30 JUNE 2024

13. TRADE AND OTHER RECEIVABLES *(Continued)*

The following is an aged analysis of trade receivable net of allowance for credit losses presented based on the date of completion of service at the end of each reporting period:

	At 30 June 2024 RMB'000 (Unaudited)	At 31 December 2023 RMB'000 (Audited)
Within 30 days	**3,656**	8,191
31 – 60 days	**–**	314
61 – 90 days	**319**	4
91 – 120 days	**343**	361
121 – 365 days	**8,323**	11,140
Above 365 days	**16,822**	17,646
	29,463	37,656

14. CONTRACT COSTS

	At 30 June 2024 RMB'000 (Unaudited)	At 31 December 2023 RMB'000 (Audited)
Costs to fulfill contracts	**10,451**	11,555

Contract costs capitalized relate to the costs incurred to fulfill contracts. Contract costs are recognized as of part of cost of sales in the condensed consolidated statement of profit or loss and other comprehensive expense in the period in which revenue is recognized. The amount of capitalized costs recognized in profit or loss during the six months ended 30 June 2024 and 2023 was RMB3,040,000 and RMB25,972,000 (unaudited), respectively. There was no impairment in relation to the opening balance of capitalized costs or the cost capitalized during the six months ended 30 June 2024.

Notes to the Condensed Consolidated Financial Statements

FOR THE SIX MONTHS ENDED 30 JUNE 2024

15. TRADE AND OTHER PAYABLES

	At 30 June 2024 RMB'000 (Unaudited)	At 31 December 2023 RMB'000 (Audited)
Trade payables	**78,525**	91,841
Accrued research and development expenses	**31,505**	48,628
Other payables:		
– Purchase of property, plant and equipment	**10,613**	11,905
– Legal and professional fee	**1,354**	1,095
– Others	**13**	2,736
Interest payables	**272**	339
Other tax payables	**970**	2,127
Accrued staff costs and benefits	**3,489**	5,373
	126,741	164,044

The average credit period on purchases of goods and services of the Group is 30-90 days.

The following is an aged analysis of trade payables, presented based on earlier of the date of goods and services received and the invoice dates as at the end of the reporting period:

	At 30 June 2024 RMB'000 (Unaudited)	At 31 December 2023 RMB'000 (Audited)
0 – 30 days	**7,981**	31,279
31 – 60 days	**1,520**	6,329
61 – 90 days	**11,002**	13,351
91 – 120 days	**9,401**	4,096
121 – 365 days	**30,308**	25,870
Over 365 days	**18,313**	10,916
	78,525	91,841

Notes to the Condensed Consolidated Financial Statements

FOR THE SIX MONTHS ENDED 30 JUNE 2024

16. SHORT-TERM OVERDRAFTS/LONG-TERM OVERDRAFTS

During the current interim period, the Group obtained new bank loans amounting to RMB116,500,000 (six months ended 30 June 2023: RMB250,000,000) and repaid RMB168,500,000 (six months ended 30 June 2023: RMB223,710,000). The loans carry interest in the fixed and variable market rates and range from 2.80% to 4.50% and are repayable in instalments over periods range from 1 month to 28 months. The proceeds were mainly used for working capital purposes.

17. DEFERRED INCOME

	At 30 June 2024 RMB'000 (Unaudited)	At 31 December 2023 RMB'000 (Audited)
Government grants		
Conditional (Note i)	**50,700**	50,300
Assets-related grants (Note ii)	**12,000**	16,000
	62,700	66,300
Less: Current portion	**(8,000)**	(8,000)
Non-current portion	**54,700**	58,300

Notes:

i The deferred income represents the government grant received from the local government to support the business operations of the Group. They are conditional upon meeting specific requirements based on the relevant grant documents. The Group received government grants with total amount of RMB50,700,200 but not yet recognized as other income, which is expected to be recognised when the relevant conditions fulfilled.

ii The asset-related grants are the subsidies received from the government for the purpose of compensation for purchase of the Group's property, plant and equipment. Amortisation of RMB4,000,000 was recognized in profit or loss in the current period.

Notes to the Condensed Consolidated Financial Statements

FOR THE SIX MONTHS ENDED 30 JUNE 2024

18. SHARE CAPITAL

	Number of ordinary shares	Amount US$'000
Ordinary shares		
Ordinary shares of US$0.0001 each		
Authorised		
At 1 January 2023 (Audited), 31 December 2023 (Audited) and 30 June 2024 (Unaudited)	10,000,000,000	1,000

	Number of shares	Amount US$'000	Equivalent amount of ordinary shares RMB'000
Issue and fully paid			
At 1 January 2024 (Audited)	435,203,375	43,520	283
Issuance of ordinary shares in relation to exercise of share options	2,000	–*	–*
Issuance of shares hold on trust (Note ii)	1,170,000	–*	1
At 30 June 2024 (Unaudited)	436,375,375	43,520	284

* Amount is less than US$1,000 or RMB1,000.

Notes to the Condensed Consolidated Financial Statements

FOR THE SIX MONTHS ENDED 30 JUNE 2024

18. SHARE CAPITAL *(Continued)*

The details of the treasury shares and shares held for share award scheme are set out as below:

	Number of shares	Amount US$'000	Equivalent amount of ordinary shares RMB'000
At 1 January 2024 (Audited)	29,571,735	3	17
Shares repurchased (Note i)	2,142,500	462	3,283
Restricted share units exercised under the trust	(1,061,749)	–*	–*
Issuance of shares hold on trust (Note ii)	1,170,000	–*	1
At 30 June 2024 (Unaudited)	31,822,486	465	3,301

* Amount is less than US$1,000 or RMB1,000.

Notes:

i During the interim period, the Company repurchased 2,142,500 shares, at average price of RMB1.53, totaling RMB3,283,000.

ii On 2 January 2024, the Company issued 1,170,000 ordinary shares to Success Connect Trust to hold on behalf of future participants of the Post-IPO Share Award Scheme of the Company.

Notes to the Condensed Consolidated Financial Statements

FOR THE SIX MONTHS ENDED 30 JUNE 2024

19. SHARE-BASED PAYMENT TRANSACTIONS

a) Pre-IPO Equity Incentive Plan

The Transcenta Holding Limited 2019 Equity Incentive Plan ("Pre-IPO Equity Incentive Plan") was effective since 1 January 2019. The purpose of the Pre-IPO Equity Incentive Plan was to provide incentives to employees, directors, senior management and consultants in order to promote the success of the business of the Company.

Under the Pre-IPO Equity Incentive Plan, the board of directors may grant share options or restricted share units to eligible employees, directors, senior management and consultants. The maximum number of shares which may be issued pursuant to all awards granted under the Pre-IPO Equity Incentive Plan is 69,325,254, subject to any adjustments to reflect any share dividends, share splits, or similar transactions. The Pre-IPO Equity Incentive Plan will expire on its 10th anniversary.

Set out below are details of the movements of the outstanding restricted share units/share options granted under the Pre-IPO Equity Incentive Plan during the period:

	Number of restricted share units/share options			
	Directors and Senior Management of the Company '000	**Consultants** '000	**Employees** '000	**Weighted average exercise price** US$
At 1 January 2024	5,925	705	11,404	0.47
Forfeited during the period	–	–	(8)	0.96
Exercised/vested during the period	–	–	(154)	0.01
At 30 June 2024 (Unaudited)	5,925	705	11,242	0.48

Notes to the Condensed Consolidated Financial Statements

FOR THE SIX MONTHS ENDED 30 JUNE 2024

19. SHARE-BASED PAYMENT TRANSACTIONS *(Continued)*

b) Post-IPO Share Award Scheme

On 18 June 2021, the Company adopted a post-IPO share award scheme (the "Post-IPO Share Award Scheme"). Under the Post-IPO Share Award Scheme, the board of directors may grant restricted share units/share options to eligible employees, directors, senior management and consultants. The maximum number of shares which may be issued pursuant to all awards granted under the Post-IPO Share Award Scheme is 44,551,933.

Set out below are details of the movements of the outstanding restricted share units/share options granted under the Post-IPO Share Award Scheme during the period:

	Number of restricted share units/share options		
	Directors and Senior Management of the Company '000	Employees '000	Weighted average exercise price US$
At 1 January 2024	25,995	8,156	0.23
Granted during the period	700	3,519	–*
Forfeited during the period	(1,006)	(680)	0.20
Exercised/vested during the period	(109)	(88)	–*
At 30 June 2024 (unaudited)	25,580	10,907	0.21

The vesting schedule for the new grant restricted share units/share options is over 1 years from the vesting commencement date as stipulated in respective grant notices.

In the current interim period, 4,219,270 restricted share units/share options were granted. The following inputs were used to calculate the fair values of restricted share units/share options at the dates of grant:

Exercise price	US$0.000
Expected life	10 years
Expected volatility	72.16%-72.28%
Expected dividend yield	0%
Risk-free interest rate	4.15%-4.25%

The fair values of the new granted restricted share units and share options range from US$0.2726 to US$0.4324.

As at 30 June 2024, a total of 30,418,000 restricted share units/share options are exercisable (31 December 2023: 28,893,000 restricted share units/share options).

Notes to the Condensed Consolidated Financial Statements

FOR THE SIX MONTHS ENDED 30 JUNE 2024

19. SHARE-BASED PAYMENT TRANSACTIONS *(Continued)*

b) Post-IPO Share Award Scheme (Continued)

The Group recognized the total expense of RMB12,824,000 (unaudited) and RMB13,337,000 (unaudited) for the six months ended 30 June 2024 and 2023, respectively, in relation to restricted share units/share options granted by the Company.

20. RELATED PARTY TRANSACTIONS

Save for disclosed in elsewhere of the condensed consolidated financial statements, the Group has the following balance with related parties during the period.

Relationship	Nature of balance	**At 30 June 2024 RMB'000 (Unaudited)**	At 31 December 2023 RMB'000 (Audited)
A joint venture	Trade receivables	**4,720**	4,720

Compensation of key management personnel

The remuneration of key management of the Group during the reporting period were as follows:

	Six months ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Short term benefits	**5,250**	8,930
Post-employment benefits	**749**	1,159
Share-based payments	**4,267**	9,679
Discretionary bonus	**18**	3,882
	10,284	23,650

21. CAPITAL COMMITMENT

	At 30 June 2024 RMB'000 (Unaudited)	At 31 December 2023 RMB'000 (Audited)
Capital expenditure contracted for but not provided in the condensed consolidated financial statements – Property, plant and equipment	**35,863**	39,938

Definitions

"associate(s)"	has the meaning ascribed thereto under the Listing Rules
"Audit Committee"	the audit committee of the Company
"Award(s)"	the grant of Award Shares to the Eligible Persons in accordance with the terms of the Share Incentive Scheme
"Award Shares"	the Shares granted under the Share Incentive Scheme
"Board" or "Board of Directors"	the board of Directors of our Company
"CDMO"	contract development and manufacturing organization
"CG Code"	the Corporate Governance Code set out in Appendix C1 to the Listing Rules, as amended, supplemented or otherwise modified from time to time
"China" or the "PRC"	the People's Republic of China, and for the purpose of this report only, except where the context requires otherwise, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"CMC"	chemistry, manufacturing and controls processes in the development, licensure, manufacturing, and ongoing marketing of pharmaceutical products
"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Company", "our Company" or "the Company"	Transcenta Holding Limited (創勝集團醫藥有限公司) (formerly named Mabspace International Limited), a limited liability company incorporated under the laws of the British Virgin Islands on August 20, 2010 and continued in the Cayman Islands on March 26, 2021 as an exempted company with limited liability under the laws of Cayman Islands
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"connected transaction(s)"	has the meaning ascribed to it under the Listing Rules
"Director(s)"	the director(s) of our Company

Definitions

"Dr. Qian"	Dr. Xueming Qian, an executive Director, the chairman and the Chief Executive Officer of the Company
"Eli Lilly"	Eli Lilly and Company, a U.S. company, organised and existing under the laws of the State of Indiana on January 17, 1901, having a place of business at Lilly Corporate Center, Indianapolis, Indiana 46285
"FDA"	U.S. Food and Drug Administration
"Global Offering"	the Hong Kong Public Offering and the International Offering as defined and described in the Prospectus
"GMP"	Good Manufacturing Practice, a system for ensuring that products are consistently produced and controlled according to quality standards. It is designed to minimize the risks involved in any pharmaceutical production that cannot be eliminated through testing the final product
"Group", "our Group", "the Group", "we", "us" or "our"	the Company and its subsidiaries from time to time or, where the context so requires, in respect of the period prior to our Company becoming the holding company of its present subsidiaries, such subsidiaries as if they were subsidiaries of our Company at the relevant time
"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong dollars" or "HK dollars" or "HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"IFRS"	International Financial Reporting Standards, as issued from time to time by the International Accounting Standards Board
"IND"	investigational new drug or investigational new drug application, also known as clinical trial application in China
"Independent Third Party(ies)"	any entity or person who is not a connected person of our Company or an associate of such person within the meaning ascribed to it under the Listing Rules
"Listing"	the listing of the Shares on the Main Board of the Stock Exchange

Definitions

"Listing Date"	September 29, 2021, the date on which the Shares are listed and on which dealings in the Shares are first permitted to take place on the Stock Exchange
"Listing Rules"	the Rules governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
"Main Board"	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operates in parallel with the Growth Enterprise Market of the Stock Exchange
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 of the Listing Rules
"NMPA"	National Medical Products Administration of China (國家藥品監督管理局), the successor of the China Food and Drug Administration (國家食品藥品監督管理總局), the State Food and Drug Administration (國家食品藥品監督管理局), and the State Drug Administration (國家藥品監督管理局)
"Option(s)"	a right granted to subscribe for Share(s) pursuant to the Share Incentive Scheme
"Pre-IPO Equity Incentive Plan"	the employee equity plan approved and adopted by our Company, effective from January 1, 2019 and subsequently terminated by the Board on May 31, 2023
"Pre-IPO Option(s)"	a right granted to subscribe for Share(s) pursuant to the Pre-IPO Equity Incentive Plan
"Prospectus"	the prospectus of the Company dated September 14, 2021
"R&D"	research and development
"Reporting Period"	the six months ended June 30, 2024
"RMB" or "Renminbi"	Renminbi, the lawful currency of PRC
"RSU(s)"	restricted share unit(s) granted pursuant to the Pre-IPO Equity Incentive Plan

Definitions

"SFO"	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Share(s)"	ordinary share(s) in the share capital of our Company, currently with a par value of US$0.0001 each
"Share Incentive Scheme"	the Post-IPO Share Award Scheme approved and adopted by the Company on June 18, 2021, amended and renamed as the Share Incentive Scheme on November 4, 2022 (as amended from time to time in accordance with the Scheme Rules)
"Share Incentive Scheme Limit"	44,551,933, the 10.0% of the total issued and outstanding Shares under Share Incentive Scheme as at November 4, 2022
"Shareholder(s)"	holder(s) of the Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary" or "subsidiaries"	has the meaning ascribed to it thereto in section 15 of the Companies Ordinance
"substantial shareholder"	has the meaning ascribed to it in the Listing Rules
"Success Link"	Success Link International L.P., an exempted limited partnership established for the benefit of the certain participants of Pre-IPO Equity Incentive Plan
"United States" or "U.S."	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
"US dollars", "U.S. dollars", "US$" or "USD"	United States dollars, the lawful currency of the United States
"%"	per cent