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)

(1) INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED JUNE 30, 2024; (2) CHANGE IN USE OF PROCEEDS; (3) APPOINTMENT OF NON-EXECUTIVE DIRECTOR; AND (4) CHANGE IN THE COMPOSITION OF BOARD COMMITTEE

The board (the "**Board**") of directors (the "**Directors**") of Transcenta Holding Limited (the "**Company**") is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively, the "**Group**") for the six months ended June 30, 2024 (the "**Reporting Period**") and comparison with the operating results for the corresponding period in 2023. These results were based on the unaudited consolidated interim financial statements for the Reporting Period, which were prepared in accordance with International Financial Reporting Standards ("**IFRSs**") and reviewed by the audit committee of the Company (the "**Audit Committee**") and the Company's auditor, Deloitte Touche Tohmatsu.

In this announcement, "we", "us" and "our" refer to the Company (as defined above) and where the context otherwise requires, the Group (as defined above). Certain amount and percentage figure included in this announcement have been subject to rounding adjustments, or have been rounded to one or two decimal places. Any discrepancies in any table, chart or elsewhere between totals and sums of amounts listed therein are due to rounding.

FINANCIAL HIGHLIGHTS

International Financial Reporting Standards ("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 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).

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

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.

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.

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.

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 announcement:

	Drug candidate	Target		Indications	Clinical trial region	Preclinical	IND	Phase 1	Phase 2	Pivotal Phase 3	Rights	Partner
Oncology	Osemitamab (TST001)	Claudin18.2	G/GEJC	1L	Global	Combo with PD1/Chemo					Global	In-house
			G/GEJC	1L	Global	Combo with Chemo						
			PDAC	1L	Global	Combo with Chemo						
	TST003	Gremlin1 (FIC)		Solid tumors	Global	Mono					Global	In-house
	MSB0254	VEGFR2		Solid tumors	Global	Mono					Global	In-house
	TST005	PD-L1/TGF-β Bi-functional		Solid tumors (HPV + and NSCLC, etc)	Global	Mono					Global	In-house
	TST006	Claudin18.2/PDL1 Bi-specific		Solid tumors	Global	Mono					Global	In-house
	TST010	Undisclosed ADCC enhanced mAb		Solid tumors	Global	Mono					Global	In-house
	TST012	Undisclosed ADC		Solid tumors	Global	Mono					Global	In-house
	TST013	Undisclosed ADC		Solid tumors	Global	Mono					Global	In-house
	MSB2311	PD-L1		TMB-H solid tumors	China	Mono					Global	In-house
				Solid tumors	China	Combo with VEGFRi						
Non-oncology	Blosozumab (TST002)	Sclerostin		Osteoporosis	China	Mono			US Ph II Completed		Greater China	Lilly
	TST004	MASP2		IgAN, TMA	Global	Mono					Global	ALEBUND
	TST008	MSAP2/BAFF Bi-Specific (FIC)		SLE/LN/IgAN	Global	Mono					Global	In-house
	TST801	Bi-specific (FIC)		SLE/LN/IgAN	Global	Mono					Global	In-house
	TST808	Undisclosed mAb		IgAN	Global	Mono					Global	In-house

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.

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.

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.

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 announcement, 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 announcement, 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.

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 announcement, 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 announcement, it is at preclinical stage.

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 announcement, 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.

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.

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.

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 announcement.

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.

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 profits	**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)

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

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	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
CDMO services	**4,564**	36,084
	4,564	36,084

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

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

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE EXPENSE

FOR THE SIX MONTHS ENDED JUNE 30, 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		**9,570**	17,585
Other gains and losses, net	*4*	**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	*5*	**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			
– Basic and diluted (RMB)	*6*	**(0.33)**	(0.58)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2024

	NOTES	At 30 June 2024 RMB'000 (Unaudited)	At 31 December 2023 RMB'000 (Audited)
Non-current assets			
Property, plant and equipment		**369,230**	388,623
Right-of-use assets		**42,059**	44,912
Goodwill		**471,901**	471,901
Interests in a joint venture		**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	*7*	**496**	496
Pledged bank deposits		**280**	280
		982,980	1,009,256
Current assets			
Inventories		**17,230**	17,907
Trade and other receivables	*7*	**40,695**	52,316
Contract costs		**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	*8*	**126,741**	164,044
Contract liabilities		**1,536**	587
Short-term overdrafts		**313,220**	376,920
Lease liabilities		**3,667**	4,741
Deferred income		**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

	NOTES	At 30 June 2024 RMB'000 (Unaudited)	At 31 December 2023 RMB'000 (Audited)
Non-current liabilities			
Long-term overdrafts		**22,200**	10,500
Lease liabilities		**16,195**	17,466
Deferred income		**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		**284**	283
Treasury shares		**(3,283)**	(17)
Reserves		**905,007**	1,027,367
Total equity		**902,008**	1,027,633

NOTES TO THE INTERIM FINANCIAL INFORMATION

1. BASIS OF PREPARATION

Going concern assessment

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.

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. 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

5. 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

6. 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.

7. TRADE AND OTHER RECEIVABLES

Details of trade and other receivables are as follows:

	At 30 June 2024	At 31 December 2023
	RMB'000	*RMB'000*
	(Unaudited)	(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.

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	At 31 December 2023
	RMB'000	*RMB'000*
	(Unaudited)	(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

8. TRADE AND OTHER PAYABLES

	At 30 June 2024	At 31 December 2023
	RMB'000	*RMB'000*
	(Unaudited)	(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

9. DIVIDENDS

No interim dividend was paid or declared by the Company for ordinary shareholders of the Company for the six months ended June 30, 2024, nor has any dividend been proposed since the end of the Reporting Period (2023: nil).

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.

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 30 June	
	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 employee 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

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, pledged bank deposits and time 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.

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. Save for those disclosed in this announcement, 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.

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.

CORPORATE GOVERNANCE AND OTHER INFORMATION

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 of Hong Kong Limited (the "**Stock Exchange**") on September 29, 2021 (the "**Listing Date**").

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 Company has adopted the principles and code provisions set out in the Corporate Governance

Code contained in Appendix C1 (as amended from time to time) to the Listing Rules (the "**CG Code**") as the basis of the Company's corporate governance practices.

Following the resignation of Dr. Yining Zhao on June 7, 2024, the composition of the Audit Committee only comprised 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 this announcement, the Company has re-complied with the requirement under Rule 3.21 of the Listing Rules.

Compliance with the Corporate Governance Code

During the Reporting Period, the Company has applied the principles of and complied with all the applicable code provisions set out from time to time in the CG Code, save and except for code provision C.2.1 of Part 2 of the CG Code as explained below.

Code provision C.2.1 of Part 2 of the CG Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. The Company does not have a separate chairman and chief executive officer and Dr. Xueming Qian currently performs these two roles. The Board believes that 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 enables 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. The Board will continue to review and consider splitting the roles of chairman of the Board and the chief executive officer of the Company at a time when it is appropriate by taking into account circumstances of the Group as a whole.

Further information of the corporate governance practice of the Company will be disclosed in the annual report of the Company for the year ending December 31, 2024. The Company will continue to regularly review and monitor its corporate governance practices to ensure compliance with the CG Code, and maintain a high standard of corporate governance practices of the Company.

Compliance with the Model Code for Securities Transactions by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 (as amended from time to time) 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.

The provisions under the Listing Rules in relation to compliance with the Model Code by the Directors regarding securities transactions have been applicable to the Company since the Listing Date. Having made specific enquiry, all the Directors have confirmed that they have complied with the Model Code during the Reporting Period.

No incident of non-compliance of the Model Code was noted by the Company during the Reporting Period.

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 announcement, 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 chairperson of the Audit Committee.

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 announcement is in compliance with the relevant accounting standards, rules and regulations and appropriate disclosures have been duly made.

Other Board Committees

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

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. 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

Due to administrative reasons, the Shares Repurchased had not been cancelled as at the date of the

announcement. The Company will arrange for cancellation of such Shares Repurchased as soon as possible.

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.

Future Plans for Material Investment or Capital Assets

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

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 announcement, 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
(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

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*	
(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**	**269.8**	**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.

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.

INTERIM DIVIDEND

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

APPOINTMENT OF NON-EXECUTIVE DIRECTOR AND CHANGE IN THE COMPOSITION OF BOARD COMMITTEE

The Board is pleased to announce that Dr. Xu has been appointed as a non-executive Director of the Company and a member of the Audit Committee with effect from August 28, 2024.

The biographical details of Dr. Xu are set out below:

Dr. Xu, aged 68, joined the Company in July 2019 and currently serves as the head of CDx and the Strategic Advisor to the Chief Executive Officer of the Company, and is mainly responsible for providing strategic advice to the Company's oncology pipeline. Dr. Xu is a co-founder of XEXUS, a Global Biopharma Clinical Development Consulting, LLC and worked as a venture partner at Lilly Asia Ventures until 2022. Dr. Xu has also served as or was a medical advisor for multiple companies, including Johnson & Johnson Pte. Ltd, Cullinan Therapeutics (a company listed on NASDAQ, stock code: CGEM), Zymeworks Inc. (a company listed on NASDAQ, stock code: ZYME), CSPC Pharmaceutical Group Limited (a company listed on the Stock Exchange, stock code: 01093), Lilly Asia Ventures, AlaMab Therapeutics, Inc., Kechow Pharma, NanGene Biomedical Co., Ltd, Duality Biologics, Kira Pharmaceuticals, and Acerand Therapeutics. Prior to that, Dr. Xu worked at ACEA Biosciences from October 2016 to June 2019, with her latest position as acting chief medical officer. She also worked as the vice president and head of Oncology Clinical Development at Jiangsu Hengrui Pharmaceuticals Co., Ltd. from October 2013 to October 2016 (a company listed on the Shanghai Stock Exchange, stock code: 600276). Dr. Xu received her Executive MBA degree in global management from Fairleigh Dickinson University in 2004, her Master of Science degree in dentistry, specifically in head and neck cancer, from University of Washington in 1991, and her Doctor of Medicine degree from Shandong Medical University in 1982.

Dr. Xu has entered into a letter of appointment with the Company for a term of three years commencing from August 28, 2024 and until terminated by either party by giving at least three months' notice. Dr. Xu is subject to retirement by rotation and re-election at the forthcoming annual general meeting in accordance with the memorandum and articles of association of the Company and the CG Code. Dr. Xu will receive a director's fee of RMB200,000 per annum for her service as a non-executive Director and is entitled to additional benefits (including any options and/or awards under the rules of any share option scheme or share award scheme to be adopted by the Company) at the Board's discretion, which has been determined by the Board upon recommendation of the remuneration committee of the Board with reference to her experience and duties with the Company and prevailing market conditions.

As at the date of this announcement, Dr. Xu is interested in (i) 719,865 shares of the Company (the "**Shares**"), (ii) 2,200,000 Shares underlying options granted pursuant to the Company's Pre-IPO Equity Incentive Scheme, (iii) 891,976 Shares underlying options granted pursuant to the Company's Share Incentive Scheme, and (iv) 619,660 Shares underlying award shares granted pursuant to the Company's Share Incentive Scheme, representing in aggregate approximately 1.02% of the Company's total issued shares (including treasury shares).

Save as disclosed above, as at the date of this announcement, Dr. Xu (i) does not hold any other directorships in any other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three (3) years; (ii) does not hold any other position in the Company or members of the Group; (iii) does not, and is not deemed to have any other interests or short positions in any Shares, underlying Shares or debentures of the Company or any of its associated corporations within the meaning of Part XV of the SFO; and (iv) does not have any relationship with any Directors, senior management, substantial shareholders (as defined under the Listing Rules) or controlling shareholders (as defined under the Listing Rules) of the Company.

Save as disclosed above, the Board is not aware of any other matters relating to the appointment of Dr. Xu that need to be brought to the attention of the Shareholders, nor is there any other information which is required to be disclosed by the Company pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules.

The Board would like to extend a warm welcome to Dr. Xu on her appointment.

PUBLICATION OF THE INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement has been published on the websites of the Stock Exchange (**http://www.hkexnews.hk**) and the Company (**http://www.transcenta.com/**).

The 2024 interim report of the Group for the six months ended June 30, 2024 will be published on the aforesaid websites of the Stock Exchange and the Company and will be dispatched to the Company's shareholders who have already provided instructions indicating their preference to receive hard copies in due course.

APPRECIATION

The Board would like to express its sincere gratitude to the shareholders, management team, employees, business partners and customers of the Group for their support and contribution to the Group.

By Order of the Board
Transcenta Holding Limited
Xueming Qian
Executive Director, Chairman and Chief Executive Officer

Hong Kong, August 28, 2024

As at the date of this announcement, the board of directors of the Company comprises Dr. Xueming Qian as executive Director, chairman and chief executive officer, Dr. Li Xu as non-executive Director, and Mr. Jiasong Tang, Mr. Zhihua Zhang, Dr. Kumar Srinivasan and Ms. Helen Wei Chen as independent non-executive Directors.