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

2025 INTERIM REPORT

CONTENTS

Corporate Information

BOARD OF DIRECTORS

Executive Directors

Dr. Xueming Qian (錢雪明)
(Chief Executive Officer and Chairman of the board)

Non-Executive Director

Dr. Li Xu (徐莉)

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)*
Mr. Zhihua Zhang (張志華)
Dr. Li Xu (徐莉)

REMUNERATION COMMITTEE

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

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

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Ms. Leung Kwan Wai (梁君慧)

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Corporate Information

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China

STOCK CODE

6628

COMPANY WEBSITE

http://www.transcenta.com/

Financial Highlights

IFRS Accounting Standards ("IFRS") Measures:

- **Revenue** decreased from RMB4.6 million for the six months ended June 30, 2024 to RMB2.7 million for the six months ended June 30, 2025, primarily attributable to the decrease in CDMO services.
- **Other income** increased by RMB1.8 million from RMB9.6 million for the six months ended June 30, 2024 to RMB11.4 million for the six months ended June 30, 2025, primarily due to the increase in government subsidies recognized during the six months ended June 30, 2025.
- **Other gains and losses** decreased by RMB2.2 million from a gain of RMB1.0 million for the six months ended June 30, 2024 to a loss of RMB1.2 million for the six months ended June 30, 2025, primarily attributable to the difference in net foreign exchange gain.
- **Research and development expenses** decreased by RMB26.3 million from RMB103.0 million for the six months ended June 30, 2024 to RMB76.7 million for the six months ended June 30, 2025, primarily attributable to our key pipeline advancement and resource reprioritization.
- **Administrative and selling expenses** decreased by RMB3.1 million from RMB31.4 million for the six months ended June 30, 2024 to RMB28.3 million for the six months ended June 30, 2025, primarily attributable to the decrease in share-based compensation.
- As a result of the above factors, **loss and total comprehensive expenses for the period** decreased by RMB26.4 million from RMB135.2 million for the six months ended June 30, 2024 to RMB108.8 million for the six months ended June 30, 2025, primarily attributable to the decrease in R&D investment related to our pipeline advancement.

Non-IFRS Accounting Standards ("Non-IFRS") Measures:

- **Revenue** decreased from RMB4.6 million for the six months ended June 30, 2024 to RMB2.7 million for the six months ended June 30, 2025, primarily attributable to the decrease in CDMO services.
- **Other income** increased by RMB1.8 million from RMB9.6 million for the six months ended June 30, 2024 to RMB11.4 million for the six months ended June 30, 2025, primarily attributable to the increase in government subsidies recognized during the six months ended June 30, 2025.
- **Research and development expenses** excluding the share-based payment expenses decreased by RMB24.7 million from RMB95.5 million for the six months ended June 30, 2024 to RMB70.8 million for the six months ended June 30, 2025, primarily attributable to the decrease of investment on our pipeline advancement and resource prioritization.
- **Administrative and selling expenses** excluding the share-based payment expenses decreased by RMB1.2 million from RMB26.1 million for the six months ended June 30, 2024 to RMB24.9 million for the six months ended June 30, 2025, 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 RMB23.0 million from RMB122.4 million for the six months ended June 30, 2024 to RMB99.4 million for the six months ended June 30, 2025, primarily due to the decrease of R&D investment related to our pipeline advancement.

Business Highlights

In the first half of 2025, the Company continued to accelerate clinical progress across both the oncology and non-oncology pipelines.

Our late phased Claudin18.2-targeting antibody Osemitamab (TST001) is on track to become a promising global therapy that delivers the next wave of innovation in the first-line treatment of patients with Claudin18.2 expressing locally advanced or metastatic gastric or gastroesophageal junction (G/GEJ) cancer. In June, we presented updated results from the Cohort-G of an ongoing Phase II trial for Osemitamab plus Nivolumab and CAPOX as the first-line treatment for patients with advanced G/GEJ cancer (TranStar102) at the American Society of Clinical Oncology (ASCO) Annual Meeting. In the 26 patients with ≥40% tumor cells having CLDN18.2 expression at 2+ or 3+ intensity and known PD-L1 CPS score, the median progression-free survival (mPFS) reached 16.6 months and the mOS reached 21.7 months. The achievement together with the regulatory clearances we received from the U.S. Food and Drug Administration (FDA), China Center for Drug Evaluation (CDE), South Korea Ministry of Food and Drug Safety (MFDS), and with the issuance granted to us from the National Intellectual Property Administration of China, the Federal Service for Intellectual Property of the Russian Federation and the Intellectual Property Department of Hong Kong will further support our strategy for a global Phase III trial (TranStar301).

For our emerging pipeline assets, we have been advancing our early pipeline in oncology including TST105, and TST013 that target FGFR2b and LIV-1, respectively. We presented the preclinical study results of a novel humanized anti-FGFR2b antibody-based ADC (TST105) at the American Association of Cancer Research (AACR) Annual Meeting in April 2025. Targeting FGFR2b has been validated in late-stage clinical trials and TST105 demonstrated significantly enhanced anti-tumor activity compared to MMAE-based ADCs in preclinical gastric and colorectal tumor models and underscored transformative potential in treating cancers with high FGFR2b overexpression. Besides our oncology pipeline, we have also been advancing our non-oncology antibody molecules including TST801, a potentially first-in-class bispecific antibody targeting BAFF and APRIL, and TST808 targeting autoimmune kidney diseases.

Furthermore, significant progress has been made in the partnership discussion for a potential technology transfer of certain proprietary technologies and intellectual property owned by the Company, and strategic alliance has been formed in advancing the technology of developing advanced culture media products.

Business Highlights

During the Reporting Period and up to the date of this report, a shortlist of our achievements includes the following:

CLINICAL PROGRAMS ACHIEVEMENTS

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

- In March 2025, the Hong Kong patent for Claudin18.2 was granted to us by the Intellectual Property Department of Hong Kong.
- In June 2025, we presented encouraging updated results from the Cohort-G of an ongoing Phase II trial of Osemitamab (TST001) plus Nivolumab and CAPOX as the first-line treatment for patients with advanced G/GEJ cancer (TranStar102). The findings were showcased in a poster presentation (Abstract #4032) at the 2025 ASCO Annual Meeting in Chicago, IL, U.S. In the 26 patients who have CLDN18.2 expression on at least 40% of the tumor cells with 2+ or 3+ intensity per 14G11 IHC LDT assay and PDL1 known, the mOS reached 21.7 months and the median progression-free survival (mPFS) was 16.6 months. The confirmed objective response rate (cORR) was 68% with a median duration of response (mDoR) of 16.5 months in this population.

CDx Progress for Osemitamab (TST001)

- The Company continued the collaboration with Agilent, a world leader in CDx development. The development of Claudin18.2 companion diagnostics (CDx) has advanced as planned to support the TranStar301 global Phase III pivotal trial of osemitamab (TST001) in combination with checkpoint inhibitor and chemotherapy as the first-line treatment in patients with Claudin18.2 expressing locally advanced or metastatic G/GEJ adenocarcinoma.

RESEARCH/EARLY DEVELOPMENT UPDATE

TST786 (A First-in-Class Next Generation Trispecific Antibody Candidate Targeting PD1-VEGF and GREMLIN-1)

TST786 is a next generation trispecific antibody candidate targeting PD1-VEGF and GREMLIN-1, and GREMLIN-1 is a stromal fibroblast regulatory protein and contributes to metastasis and has been negatively associated with overall survival. Currently PD1-VEGF bispecifics have shown promising PFS benefits but OS benefit is to be confirmed. Our trispecific ab has the potential to improve PFS benefits and has a high chance to improve OS benefits by blocking tumor metastasis. In 2025, the lead molecule has been obtained and preclinical testing is ongoing.

Business Highlights

TST105 (A Bispecific ADC Candidate Targeting Biomarker Expressing Gastric Cancer and Other Solid Tumors)

- TST105 is a humanized bispecific antibody-based drug conjugate (ADC) targeting FGFR2b and an undisclosed tumor antigen. FGFR2b is a clinically validated tumor antigen in gastric cancer, it is also overexpressed in lung cancer and other solid tumors. We have obtained promising anti-tumor activity data for the lead ADC in *in vivo* studies. In April 2025, we presented the preclinical study results at the AACR Annual Meeting. TST105, with a novel topoisomerase I inhibitor payload utilizing glycosyltransferase mediated site-specific conjugation, demonstrated significantly enhanced anti-tumor activity compared to MMAE-based ADCs in preclinical gastric and colorectal tumor models. The encouraging data presented at AACR underscore the transformative potential of TST105 in treating cancers with high FGFR2b overexpression. We are committed to translating this promising candidate into a transformative therapy for patients globally.

TST013 (An ADC Candidate Targeting LIV-1, A Tumor Antigen Overexpressed in Multiple Solid Tumors)

- TST013 is a next generation ADC targeting LIV-1, a clinically validated tumor antigen for breast cancer. LIV-1 is also highly expressed in other solid tumors, including lung cancer, prostate cancer, etc. The ADC molecule combines the site-specific conjugation of TOPO-I inhibitor with an in-house humanized antibody that targets distinct epitope and has prolonged PK. We have obtained exciting anti-tumor activity data in *in vivo* pharmacology studies for the ADC lead molecules and initiated the IND-enabling studies. Compared with the benchmark ADC, TST013 displayed significantly improved anti-tumor activity with a good tolerability profile at clinically relevant doses in animal models. We have also observed significant preclinical activities in lung cancer.

TST801 (A Bifunctional Fusion Protein for Autoimmune Diseases)

- TST801 is a first-in-class bifunctional antibody fusion protein of anti-BAFF antibody and TACI. BAFF and APRIL, the ligands for TACI, are involved in regulating B cell activation and differentiation. Dual targeting of BAFF and APRIL is a validated approach for the treatment of several autoimmune diseases, including Systemic Lupus Erythematosus (SLE), Lupus nephritis (LN), IgA nephropathy (IgAN), Generalized myasthenia gravis (gMG), etc. TST801 has the potential of delivering improved efficacy in those diseases as well as other B-cell related autoimmune diseases. We have selected the lead molecule and initiated IND-enabling studies. We have completed the evaluation of TST801 versus other competing molecules in a mouse model of human Lupus nephritis (human BAFF overexpressing transgenic mice). TST801 demonstrated best-in-class profile in reducing memory B cells, double stranded DNA (dsDNA), Immunoglobulin A (IgA), Immunoglobulin M (IgM) and Immunoglobulin G (IgG), as well as reducing proteinuria and the kidney damage scores.

TST808 (A Humanized Antibody Neutralizing A Validated Key Target Regulating B/Plasma Cell Proliferation and Survival)

- TST808 is a humanized antibody neutralizing a validated key target regulating B/plasma cell proliferation and survival. TST808 has improved properties in blocking B cell proliferation and signalling. It was engineered to achieve a longer half-life as well. TST808 has the potential of treating multiple autoimmune renal disorders including IgAN. We have obtained lead molecules and initiated IND-enabling studies. We have engineered a second generation bi-paratopic antibody and is under preclinical evaluation.

Business Highlights

BUSINESS DEVELOPMENT ACHIEVEMENTS

- We have continued the clinical trial collaboration with BMS for the osemitamab (TST001), checkpoint inhibitor and chemotherapy combination in the TranStar102 trial in China and in the TranStar101 trial in the U.S.
- We have advanced our collaboration with Agilent for our Claudin18.2 specific IHC CDx Assay to support the TranStar301 global Phase III pivotal trial of osemitamab (TST001) in combination with checkpoint inhibitor and chemotherapy.
- For osemitamab (TST001), we are engaged in active discussions with potential partners to support global and regional development and commercialization and have received multiple term sheets.
- We are currently in active discussions on partnerships and collaborative opportunities for the Company's pipeline assets such as TST002, TST801, TST808, TST105 and TST013, to leverage global expertise and resources of potential partners for development and commercialization. We are evaluating strategic deal structures, including the formation of Companies ("**NewCo**") to advance preclinical and clinical-stage assets with external funding, reducing risk for the parent company while enabling focused and efficient asset development, to accelerate time to market and maximize asset value.
- On March 25, 2025, the Company together with its wholly-owned subsidiary, HJB (Hangzhou) Co., Ltd* (杭州奕安濟世生物藥業有限公司) ("**HJB Hangzhou**") (collectively, the "**Licensor**"), entered into a non-binding term sheet with an independent third-party licensee (the "**Licensee**"), which sets out the preliminary terms for a potential definitive licensing agreement, with license fee plus royalty (payable upon execution and thereafter at milestones) for the license and technology transfer of certain proprietary HiCB platform technologies and intellectual property owned by the Licensor. We are finalizing the definitive agreement with the Licensee. We are in active discussion with additional global partners interested in licensing our proprietary technology platforms.
- We have strengthened our alliance with companies specialized in siRNA drug substance synthesis, providing CDMO services in siRNA formulation development and F&F.
- Our in-house cell culture media ExcelPro CHO are being evaluated for performance against market standards for fed-batch and perfusion processes by multiple external partners, including several global leading companies of CHO cell culture media business. This provides opportunities for potential collaboration of global commercialization of 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 the development of the internal programs as well as licensing to CDMO clients and industry partners.
- We established perfusion media for perfusion process. We also established basal and feed media for fed-batch process. Those media are ready for commercialization.

CDMO business

- We have expanded our services in siRNA drug product development and increased our exposure to international markets.
- We have extended our services to clients in need of drug products in lyophilization dosage form.
- We have continued our efforts in engaging new customers for such services.

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 team of extensive global clinical research and development capabilities, we are pursuing biological innovations of high scientific and commercial potential in a variety of therapeutic areas including oncology, osteoporosis, kidney disease and autoimmune diseases.

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

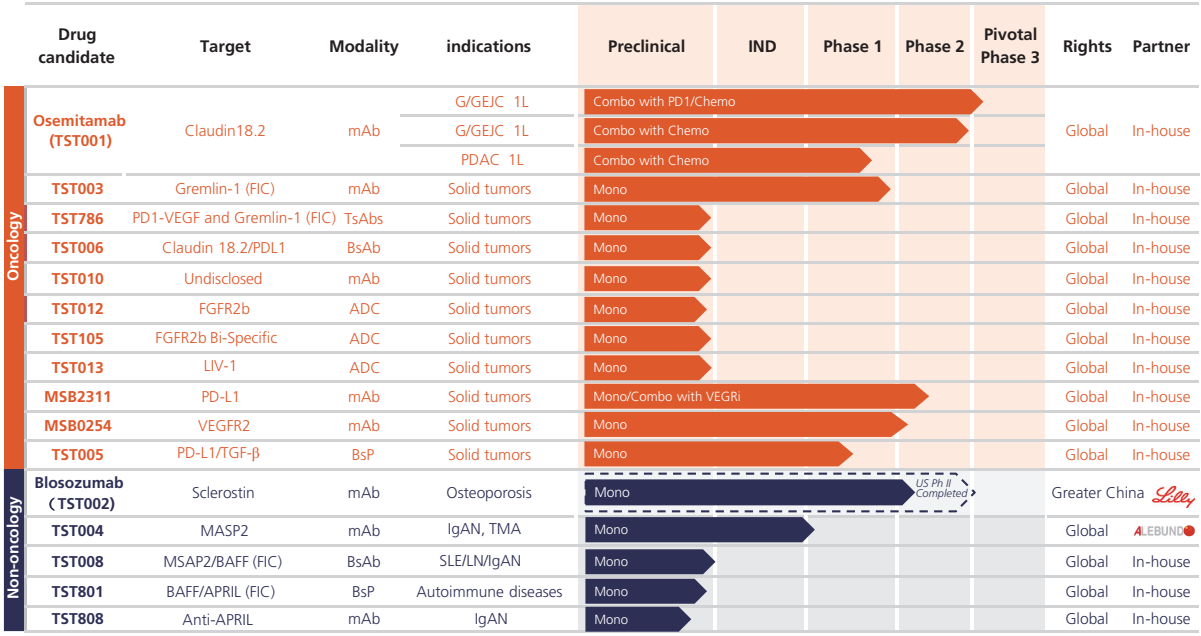
Our proprietary antibody discovery platform empowers us to discover best-in-class or first-in-class agents. Our comprehensive CMC capabilities facilitate the seamless transition of these agents from discovery to clinical trials, and ultimately being rolled out to the market, and benefiting patients globally. Our advanced translational science platform allows us to identify biomarkers for precise patient selection of those benefiting from our assets the most, thus greatly increasing the probability of success. Our HiCB manufacturing platform technology empowers us to offer patients with high-quality products at a significantly lower cost. Lastly, we are also leveraging our comprehensive CMC capabilities to provide top-notch CDMO services, generating revenue to finance our operations effectively.

Moreover, we continued advancing our global strategy through partnerships with international and domestic biopharmaceutical companies and leading academic institutions, to leverage their global expertise in R&D, manufacturing, and commercialization. Additionally, we are exploring innovative deal structures, including NewCo entities, to accelerate market entry and maximize asset value. Such initiatives, together, shall help optimize global rights management, strengthen financial sustainability, and expand commercial opportunities for our pipeline.

Management Discussion and Analysis

Our Product Pipeline

We have established a diversified and differentiated pipeline of 16 molecules in oncology, bone disorders and nephrology. All but one of our antibody candidates were generated in-house by our antibody discovery platform covering validated, partially validated, and novel biological pathways, one pipeline candidate (blosozumab (TST002)) 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; LN=Lupus nephritis; TMA=Thrombotic microangiopathy; IgA nephropathy=Immunoglobulin A nephropathy; Mono=Monotherapy; Combo=Combination; Chemo=Chemotherapy; VEGFR2=Vascular endothelial growth factor receptor 2 inhibitor.

(1) Solid tumors in the "Indications" column include all the 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 preclinical/clinical evidence. See the subsections headed "Clinical Development Plan" for each of our drug candidates in "Business" section of the prospectus of the Company dated September 14, 2021 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

We have established a diversified and differentiated pipeline of 16 molecules in oncology, bone disorders and nephrology that address serious unmet medical needs for patients. In particular, we are proud to have developed our five best-in-class molecules, TST001, TST002, TST004, TST801 and TST808, and our three first-in-class molecules, TST003, TST786 and TST008. During the first half of 2025, 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, TST105, 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 junction (G/GEJ) cancer, pancreatic cancer and lung 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.
- TST003 is a first-in-class humanized antibody targeting GREMLIN-1.
- TST786 is a first-in-class next generation trispecific antibody candidate targeting PD1-VEGF and GREMLIN-1.
- TST012 is an antibody candidate targeting FGFR2b at preclinical stage, targeting biomarker expressing gastric cancer and other solid tumors.
- TST105 is a bispecific ADC candidate targeting FGFR2b and an undisclosed tumor antigen at preclinical stage for biomarker expressing gastric cancer, lung cancer and other solid tumors.
- TST013 is a next generation ADC targeting LIV-1, a clinically validated target antigen in breast cancer. It is at preclinical stage with potential in breast cancer, and other tumor types including lung cancer and prostate cancer.

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 us to enhance our Claudin18.2 franchise through proprietary combinations with osemitamab (TST001); MSB0254 and TST003 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 antibody specifically targeting Claudin18.2 with high-affinity. Claudin18.2 is overexpressed in multiple tumor types, including G/GEJ cancer, pancreatic ductal adenocarcinoma (PDAC) and lung cancer. 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 lung cancer.

In the first-line Claudin18.2 positive G/GEJ cancer, the combination of Claudin18.2 targeting antibody with chemotherapy has been validated by a 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 the data in its clinical trials. Osemitamab (TST001) is a second generation Claudin18.2 targeting antibody designed to have more potent anti-tumor activities than the competing molecule. It has higher binding affinity and more potent ADCC (antibody-dependent cellular cytotoxicity) than the competing molecule. ADCC accounts for the cancer cell killing activities of the anti-Claudin18.2 antibody. Our preliminary clinical data indicated that osemitamab (TST001) had the potential to benefit a broader patient population (~ 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 and chemotherapy, a potentially more effective treatment for patients with Claudin18.2 expressing G/GEJ cancer.

We have made significant progress in 2025 in advancing the clinical development for osemitamab (TST001), which includes:

Recent Product Developments and Milestones

- In March 2025, the Hong Kong patent for Claudin18.2 was granted to us by the Intellectual Property Department of Hong Kong.
- In June 2025, we presented encouraging updated results from the Cohort-G of an ongoing Phase II trial of Osemitamab (TST001) plus Nivolumab and CAPOX as the first-line treatment for patients with advanced G/GEJ cancer (TranStar102). The findings were presented in a poster (Abstract #4032) at the 2025 ASCO Annual Meeting in Chicago, IL, U.S. In the 26 patients who have CLDN18.2 expression on at least 40% of the tumor cells with 2+ or 3+ intensity per 14G11 IHC LDT assay and PDL1 known, the mOS reached 21.7 months and the median progression-free survival (mPFS) was 16.6 months. The confirmed objective response rate (cORR) was 68% with a median duration of response (mDoR) of 16.5 months in this population.

CDx PROGRESS FOR OSEMITAMAB (TST001)

Recent Product Developments and Milestones

- The Company continued the collaboration with Agilent, a world leader in CDx development, the development of Claudin18.2 companion diagnostics (CDx) has advanced as planned to support the TranStar301 global Phase III pivotal trial of osemitamab (TST001) in combination with checkpoint inhibitor and chemotherapy as the first-line treatment in patients with Claudin18.2 expressing locally advanced or metastatic G/GEJ adenocarcinoma.

Management Discussion and Analysis

MSB0254 (A Humanized VEGFR2 mAb Candidate for Solid Tumors)

MSB0254 is a high affinity humanized antibody against VEGFR2, designed to inhibit tumor angiogenesis. MSB0254 was generated using the Company's in-house antibody discovery platform. VEGFR-2 is overexpressed in neovascular endothelial cells in many tumors. VEGFR-2 pathway controls vascular permeability, survival and migration of the neovascular endothelial cells. VEGFR-2 is a clinically validated target in various tumor types including gastric cancer, non-small cell lung cancer and colorectal cancer. We have completed the Phase I dose escalation study and determined RP2D dose. Given proven activity of anti-VEGFR2 antibody in neovascular dependent tumors and observed synergy with other anti-tumor agents, we plan to use MSB0254 as the combination partner for our proprietary oncology assets.

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. It is currently tested in a global FIH trial 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 dose proportional PK profiles were observed.

TST786 (A First-in-Class Next Generation Trispecific Antibody Candidate Targeting PD1-VEGF and GREMLIN-1)

TST786 is a next generation trispecific antibody candidate targeting PD1-VEGF and GREMLIN-1, and GREMLIN-1 is a stromal fibroblast regulatory protein and contributes to metastasis and has been negatively associated with overall survival. Currently PD1-VEGF bispecifics have shown promising PFS benefits but OS benefit is to be confirmed. Our trispecific ab has the potential to not only improve PFS benefits but also has a high chance to improve OS benefits by blocking tumor metastasis. It is at preclinical stage.

Recent Product Developments and Milestones

- In 2025, the lead molecule has been obtained and preclinical testing is ongoing.

TST012 (An antibody Candidate Targeting FGFR2b, Targeting Biomarker Expressing Gastric Cancer and Other Solid Tumors)

TST012 is an antibody candidate targeting FGFR2b, targeting biomarker expressing gastric cancer and other solid tumors. We have obtained the lead molecule and finished the cell line development. Such 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.

TST105 (A Bispecific ADC Candidate Targeting Biomarker Expressing Gastric Cancer and Other Solid Tumors)

TST105 is a humanized bispecific antibody-based drug conjugate (ADC) targeting FGFR2b and an undisclosed tumor antigen, FGFR2b is a validated tumor antigen in gastric cancer, it is also overexpressed in lung cancer and other solid tumors. We are currently developing the bispecific ADC to improve therapeutic window. As at the date of this report, it is at preclinical stage.

Management Discussion and Analysis

Recent Product Developments and Milestones

- In April 2025, we presented the preclinical study results of TST105 at the AACR Annual Meeting. TST105, with a novel topoisomerase I inhibitor payload utilizing glycosyltransferase mediated site-specific conjugation, demonstrated significantly enhanced anti-tumor activity compared to MMAE-based ADCs in preclinical gastric and colorectal tumor models. The encouraging data presented at AACR underscore the transformative potential of TST105 in treating cancers with high FGFR2b overexpression. We are committed to translating this promising candidate into a transformative therapy for patients globally.

TST013 (An ADC Candidate Targeting LIV-1, A Tumor Antigen Overexpressed in Multiple Solid Tumors)

TST013 is a next generation ADC targeting LIV-1, a clinically validated tumor antigen for breast cancer. LIV-1 is also highly expressed in other solid tumors including lung cancer, prostate cancer, etc. The ADC molecule combines the site-specific conjugation of TOPO-I inhibitor, with an in-house humanized antibody that targets distinct epitope and has prolonged PK. We have obtained exciting anti-tumor activity data in *in vivo* pharmacology study for the ADC lead molecules. Compared with the benchmark ADC, TST013 displayed significantly improved anti-tumor activity with a good tolerability profile at clinically relevant doses in animal models. As at the date of this report, it is at preclinical stage. We have also observed significant preclinical activities in lung cancer.

Non-oncology Program

Our highly differentiated non-oncology pipeline target bone and kidney diseases (blosozumab (TST002), TST004, and 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 exhibits 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), one of our key products, 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 (TST002) can induce significant dose-dependent increases in spine, femoral neck, and total hip bone mineral density (BMD) as compared with placebo. Such studies have shown that, in the highest dose group, blosozumab (TST002) 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 Chinese subjects with reduced BMD 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. We have received Phase II CTP from CDE.

Management Discussion and Analysis

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 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.

TST801 (A Bifunctional Antibody Fusion Protein for Autoimmune Diseases)

TST801 is a first-in-class bifunctional antibody fusion protein of anti-BAFF antibody and TACI. BAFF and APRIL, two ligands for TACI, are involved in regulating B cell activation and differentiation. Dual targeting of BAFF and APRIL is a validated approach for the treatment of several autoimmune diseases including SLE, LN, IgAN, gMG, etc. TST801 has the potential of delivering better efficacy for the treatment of those diseases and potentially other B-cell related autoimmune diseases. We have selected the lead molecule and initiated IND-enabling studies. We have completed the evaluation of TST801 versus other competing molecules in a mouse model of human Lupus nephritis (human BAFF overexpressing transgenic mice). TST801 demonstrated best-in-class profile in reducing memory B cells, and dsDNA, IgA, IgM and IgG as well as reducing proteinuria and kidney damage scores. As at the date of this report, it is at preclinical stage.

TST808 (A Humanized Antibody Neutralizing A Validated Key Target Regulating B/plasma Cell Proliferation and Survival)

TST808 is a humanized antibody neutralizing a validated key target regulating B/plasma cell proliferation and survival. TST808 has improved properties in blocking B cell proliferation and signaling. It was engineered to achieve a longer half-life as well. TST808 has the potential to treat multiple autoimmune renal disorders including IgAN. We have obtained the lead molecules and initiated IND-enabling studies. We have engineered a second generation bi-paratopic antibody which is under preclinical evaluation. As at the date of this report, it is at preclinical stage.

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 successfully develop, or ultimately commercialize any of the above drug candidates. 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 are optimising our follow-on pipeline molecules using existing technology. We are also employing new technologies to explore new targets to enrich our pipeline by developing the next generation of molecules. Besides, we are also developing antibody based targeted radioligand therapy by leveraging our antibody engineering and conjugation technologies for improving tumor/normal tissue targeting and therapeutic index. This approach could offer a new modality for multiple targets and address potential limitations of ADC due to payload resistance.

Management Discussion and Analysis

Strategic Partnership to Advance Pipeline

Partnerships and collaborations are the key for maximizing the clinical and commercial potential of our assets. We have established clinical trial collaboration with BMS for osemitamab (TST001), in-licensed blosozumab (TST002) rights in the Greater China with Eli Lilly & Company, and are co-developing TST004 in China with Alebund Pharmaceuticals. Additionally, we have established multiple research collaborations, including one with an MNC for one of our pipeline molecules and several with companies for different ADC platforms. We also established 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 global cornerstone treatment in Claudin18.2 expressing solid tumors including G/GEJ cancer, PDAC and lung cancer.

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

We have been discussing with multiple MNCs and other strategic collaborators on the potential global and regional collaborations 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 a 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 chemotherapy. The global Phase III trial (TranStar301) is designed to generate clinical evidence to support global regulatory approvals.

We have advanced our 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).

We are engaged in active discussions with global and regional collaborators to support the development and commercialization of osemitamab (TST001) and have received multiple term sheets.

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 region including the People's Republic of China ("**PRC**"), Hong Kong, Macau and Taiwan.

We completed the technology transfer, established the manufacturing process for blosozumab (TST002), and GMP production for clinical use and all the additional preclinical studies required for TST002 IND application in China. We received IND Clearance from CDE for a Phase II study to validate efficacy and tolerability, and to generate necessary clinical data to support a Phase III study.

Management Discussion and Analysis

We have been actively discussing with multiple domestic pharmaceutical companies for the potential collaboration on the development and commercialization of blosozumab (TST002) in Greater China.

TST004

We collaborated with Shanghai Alebund Pharmaceuticals Limited ("**Alebund Pharmaceuticals**") after establishing an equity joint venture registered under the laws of the PRC in 2020 to carry out preclinical research and conduct clinical trials in the 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 in discussions for potential global collaboration with multiple companies including MNCs on TST004.

TST003

We are in discussion with multiple MNCs and for potential partnership on both oncology and non-oncology applications of this molecule.

TST801

We are in discussion with multiple MNCs and others with focus in inflammatory and immunology. We have engaged with multiple parties for partnership discussions.

TST808 & TST008

We have been approached by potential partners for these two assets.

TST105

We are in active discussions for potential partnership on the application of this molecule.

TST013

We are in active discussions for potential partnership on the application of this molecule.

We continue to explore collaborations for other pipeline programs, aiming to leverage global expertise and resources for development and commercialization. Additionally, we are evaluating strategic deal structures, including New-Co formations, to accelerate time to market and maximize asset value.

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.

Management Discussion and Analysis

TECHNOLOGY PARTNERSHIP & ADVANCEMENT

- On March 25, 2025, the Company and HJB Hangzhou, together as Licensor, entered into a non-binding term sheet with an independent third-party Licensee, which sets out the preliminary terms for a potential Definitive Licensing Agreement. Pursuant to the Term Sheet, the parties intend to negotiate and enter into a formal definitive license agreement (the "**Definitive License Agreement**"), pursuant to which the Licensor shall grant the Licensee a non-exclusive, irrevocable, sub-licensable and transferable license to use, manufacture, research, develop and commercialize the licensed products within the designated territory utilizing the Licensor's intellectual property rights ("**CDMO out-licensing**"), in consideration for the payment of a license fee plus royalty, payable upon execution of the Definitive License Agreement, and thereafter at milestones therein specified. We are finalizing the definitive agreement with the Licensee. We are in active discussions with additional potential global partners interested in licensing our proprietary technology platforms or engaging us to develop and optimize cell culture medium for their proprietary cell lines. By actively exploring such CDMO out-licensing opportunities, the Group is a step closer towards transforming its existing CDMO into a more scalable and replicable business model, thereby creating additional revenue streams for the Group.
- Our in-house cell culture media ExcelPro CHO are being evaluated for performance against market standards for fed-batch and perfusion processes by multiple external partners including several global leading companies of CHO cell culture media business. This provides opportunities for potential collaboration of global commercialization of ExcelPro CHO media.
- We have strengthened our alliance with companies specialized in siRNA drug substance synthesis, providing CDMO services in siRNA formulation development and F&F.

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 the comparability strategy and plan in support of implementation of integrated hybrid continuous downstream process for the 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 are on track to make it available for the development of the internal programs as well as licensing to CDMO clients and industry partners.
- We established perfusion media for perfusion process, we also established basal and feed media for fed-batch process. Those media are ready for commercialization.

Management Discussion and Analysis

CDMO Business

- We have remained at industry-top success rate since the beginning of our operations, with our CDMO business being 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 to international markets. We are supporting siRNA projects in formulation development and drug product fill finish as well as analytical methods development. We have provided quality consulting services based on our rich experience in quality management.
- We have expanded our services for clients who need drug products in lyophilization dosage form.
- We have continued our efforts and engaged new customers for such services.

EVENTS AFTER THE 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.

FUTURE OUTLOOK

We expect to advance multiple key pipeline molecule programs and continue striving to establish collaboration on our leading assets, other pipeline molecules and advanced technology. We also plan to further advance our technology platform and enhance our CDMO business and revenue. A detailed breakdown of our expected developments for the rest of 2025 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 application with EMA and regulatory bodies in other regions of the world including Japan.
- We plan to present clinical data from ongoing trials at medical conferences.
- 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.

TST013

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

TST801

- We plan to continue the IND-enabling study for TST801.

Management Discussion and Analysis

Potential Partnerships

- We expect that the potential collaboration with potential partners will steer our lead asset osemitamab (TST001) into global Phase III trial in the first line CLDN18.2 positive G/GEJ cancer, being the critical first step in establishing osemitamab (TST001) as the cornerstone treatment in Claudin18.2 expressing solid tumors including G/GEJ cancer, PDAC and lung cancer.
- We will continue partnership discussions for our clinical assets blosozumab (TST002), TST003, TST004, and preclinical assets including oncology assets TST105, 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 internal programs and out-licensing to CDMO clients and industry partners.
- We aim to strengthen our marketing initiatives for the HiCB continuous technology platform, cell culture media products, and development services to attract industry partners for technology licensing and media business collaborations.
- We plan to continue lyophilization technology development to better serve our clients.

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 increase 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, 2025 Compared to Six Months Ended June 30, 2024

	Six months ended June 30,	
	2025	**2024**
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Revenue	**2,711**	4,564
Cost of sales	**(1,920)**	(3,040)
Gross profit	**791**	1,524
Other income	**11,366**	9,570
Other gains and losses, net	**(1,192)**	1,038
Impairment losses under expected credit loss model	**(9,946)**	(4,361)
Research and development expenses	**(76,731)**	(102,965)
Administrative and selling expenses	**(28,291)**	(31,440)
Other expense	**(1,940)**	–
Share of results of a joint venture	**4**	(11)
Finance costs	**(3,968)**	(7,202)
Loss before tax	**(109,907)**	(133,847)
Income tax credit	**122**	125
Loss for the period	**(109,785)**	(133,722)
Other comprehensive income (expense) for the period		
Item that may be reclassified subsequently to profit or loss:		
Exchange differences arising on translation of a foreign operation	**1,001**	(1,463)
Total comprehensive expense for the period	**(108,784)**	(135,185)
Non-IFRS measure[(Note 1)]**:**		
Add: Adjusted for share-based compensation expenses	**9,339**	12,824
Adjusted loss and total comprehensive expense for the period	**(99,445)**	(122,361)

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, 2025 RMB'000 (Unaudited)	At December 31, 2024 RMB'000 (Audited)
Non-current assets	**897,238**	920,783
Current assets	**141,462**	279,494
Total assets	**1,038,700**	1,200,277
Current liabilities	**287,942**	342,507
Non-current liabilities	**98,624**	106,134
Total liabilities	**386,566**	448,641
Net current liabilities	**(146,480)**	(63,013)

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.

The Group's service contracts normally include payment schedules which require stage payments over the service period once certain specified milestones are reached. The Group requires certain customers to provide upfront deposits ranging from 10% to 50% of total contract sum as part of its credit risk management policies; this will give rise to contract liabilities at the start of a contract until the deliverable units have been delivered and accepted by customer. The typical credit term is 30 to 90 days upon meeting specified delivery milestones.

Management Discussion and Analysis

Disaggregated revenue information:

	Six months ended June 30,	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
CDMO services	**2,167**	4,564
Research and development services	**544**	–
Timing of revenue recognition		
A point in time	**2,711**	4,564

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 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) 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, 2025, other income of our Group increased by RMB1.8 million from RMB9.6 million for the six months ended June 30, 2024. The increase was primarily due to the increase of government grants we recognized during the six months ended June 30, 2025.

3. Other Gains and Losses, Net

Other net gains and losses decreased by RMB2.2 million for the six months ended June 30, 2025 from a gain of RMB1 million for the six months ended June 30, 2024, which is attributable to the difference in net foreign exchange gain.

4. Research and Development Expenses

Research and development expenses primarily consist of preclinical expenses including testing fees and preclinical trial expenses, staff costs for our research and development personnel, clinical expenses including testing fees 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 RMB26.3 million from RMB103.0 million for the six months ended June 30, 2024 to RMB76.7 million for the six months ended June 30, 2025, primarily due to the decrease in investment of our key pipeline advancement and resource reprioritization.

Management Discussion and Analysis

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

	Six months ended June 30,	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Clinical expenses	**15,005**	25,041
Preclinical expenses	**1,481**	1,003
Staff cost	**35,111**	50,816
Materials consumed	**1,217**	596
Depreciation and amortization expenses	**20,855**	21,096
Others	**3,062**	4,413
Total	**76,731**	102,965

5. Administrative and selling expenses

Our administrative expenses decreased by RMB3.1 million from RMB31.4 million for the six months ended June 30, 2024 to RMB28.3 million for the six months ended June 30, 2025, 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,	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Salaries and related benefits costs	**12,727**	15,808
Professional fees	**7,064**	7,361
Depreciation and amortization expenses	**2,634**	2,977
Office expenses	**3,491**	3,169
Others	**2,375**	2,125
	28,291	31,440

Management Discussion and Analysis

OTHER COMPREHENSIVE INCOME (EXPENSE)

Our other comprehensive expense decreased from RMB1.5 million for the six months ended June 30, 2024 to RMB1 million of other comprehensive income for the six months ended June 30, 2025.

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 June 30,	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Total comprehensive expense for the period:	**(108,784)**	(135,185)
Add:		
Share-based compensation expenses	**9,339**	12,824
Income tax impact	**–**	–
Adjusted loss and total comprehensive expenses for the period	**(99,445)**	(122,361)

Management Discussion and Analysis

EMPLOYEES AND REMUNERATION POLICIES

The following table sets forth a breakdown of our employees as at June 30, 2025 by function:

	Number of employees	% of total number of employees
Research and Development	**80**	**46.78**
General and Administrative	**42**	**24.56**
Manufacturing	**49**	**28.66**
Total	**171**	**100.00**

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 total employee benefit expenses for the six months ended June 30, 2025 was RMB 13,244,000.

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, 2025, bank balances and cash, pledged bank deposits and time deposits were RMB101.1 million, as compared to RMB227.4 million as of December 31, 2024. The decrease was mainly due to the operating cashflow out.

Management Discussion and Analysis

GEARING RATIO

The gearing ratio of the Group was calculated using interest-bearing borrowings less cash and cash equivalents divided by (deficiency of) total equity and multiplied by 100%. The gearing ratio increased from 0.76% as at December 31, 2024 to 14.24% as at June 30, 2025.

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, 2025) 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, 2025.

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, 2025, borrowings amounting to RMB48,000,000 are secured by time/pledged bank deposits of RMB50,000,000.

As at 31 December 2024, borrowings amounting to RMB42,000,000 are secured by time/pledged bank deposits of RMB50,000,000.

We had an aggregate of RMB170,746,000 borrowings with fixed interest rates as at June 30, 2025.

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,	
	2025	2024
	RMB'000	RMB'000
US$	**–**	–

Contingent Liabilities

As at December 31, 2024 and June 30, 2025, the Group did not have any material contingent liabilities.

Management Discussion and Analysis

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.

Going concern issues and updates on mitigation plans and measures taken in resolving the Disclaimer of Conclusion

Going concern issues

The independent auditor of the Company, Deloitte Touche Tohmatsu (the "**Independent Auditor**"), has issued a disclaimer of conclusion ("**Disclaimer of Conclusion**") in respect of its review of the condensed consolidated financial statements for the six months ended June 30, 2025 (the "**Condensed Consolidated Financial Statements**"), details of which are set out in the sections headed "Basis for Disclaimer of Conclusion" and "Disclaimer of Conclusion" respectively in the Independent Auditor's review report, and extracted below in the paragraphs headed "Extract of Independent Auditor's Report".

Since the publication of the Company's annual report for the year ended December 31, 2024 (the "**2024 Annual Report**"), the Group has been undertaking a number of measures and actions, as well as following up on existing ones to mitigate its liquidity pressure and improve its financial position, for which updates on the implementation progress, status and expected outcome were disclosed in the announcement of the Company dated July 11, 2025 (the "**Progress Update**").

The Management's assessment on the Disclaimer of Conclusion

The management of the Group has given careful consideration to the Disclaimer of Conclusion and the basis thereof and has had continuous discussions with the Independent Auditor during the preparation of the Condensed Consolidated Financial Statements. The management of the Group understands that the Disclaimer of Conclusion relates solely to the validity of going concern assumption, on which the Condensed Consolidated Financial Statements have been prepared. The management of the Group has prepared the Group's cash flow projection, which covers a period of not less than twelve months from June 30, 2025 (the "**Cashflow Projection**") and has given due consideration to the matters that give rise to material doubt as to its ability to continue as a going concern, and accordingly, has been proactively following through on the plans as disclosed in the 2024 Annual Report and the Progress Update.

The Directors' view on the Disclaimer of Conclusion

The Directors, having perused the information prepared by the management, including but not limited to the Cashflow Projection, the Progress Update, and taking into account the management's report on the latest progress thereto and plans going forward, have (on the basis that such latest plans and measures (as set forth below) are effectively implemented as planned) come to the view that the Group will have sufficient financial resources to finance its operations and meet its financial obligations when they fall due within twelve months from the date of approval of the Condensed Consolidated Financial Statements. Accordingly, the Directors have, at the time of approving the Condensed Consolidated Financial Statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Save for the matters disclosed herein, the Directors are not aware of any other events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern, and thus it is appropriate for the Condensed Consolidated Financial Statements to be prepared on a going concern basis.

Management Discussion and Analysis

Updates on the latest plans and measures taken or to be taken

A summary of the latest plans and measures taken or to be taken to support such going concern assumptions, which have been considered, recommended and agreed by the audit committee of the Company (the "**Audit Committee**") after its critical review of the management's position for the six months ended June 30, 2025 is set forth as follows:

(i) Engaging with various third parties to further its global development and commercialization of a major pipeline, with "licensing out" and/or "co-development plans"

The Group has received multiple term sheets for its main pipeline asset and discussions regarding partnership or collaborative arrangements for such asset have been progressing in a constructive manner and details of which will be duly and timely disclosed once finalised. Meanwhile, the Group has been leveraging support from professional advisors in facilitating asset-based fund raising with potential investors. The Company has also garnered interest from several reputable venture capital and private equity firms, with which the Company has been in active discussions with to secure funding for the research and development of such asset.

(ii) Pursuing out-licensing or fund raising to support further development of other pipelines

The Group has carried on with its discussions with various parties towards supporting the development of its other pipelines, where various fund raising options are actively explored, such as out-licensing and the formation of companies to advance preclinical and clinical-stage assets with external funding, reducing risk for the parent company while enabling focused and efficient asset development, to accelerate time to market and maximize asset value. As for the Company's pipeline assets such as TST002, TST801, TST808 and TST013, the Group is also actively seeking various opportunities and extending its partnership network, with a view that the current negotiations will translate into solid partnership and reliable funding.

(iii) Engaging in discussions and negotiations with various parties for capital funding

Progress has been made by the Group in its negotiations with various parties to explore diverse capital funding opportunities, including but not limited to PIPE or the issuance of convertible bonds, which the Company intends to map out and pursue within the year.

(iv) Exploring non-exclusive, royalty bearing proprietary technology platform out-licensing opportunities

The Group has made significant progress towards finalizing the agreement with the potential licensee, with whom a non-binding term sheet was signed in March 2025, for the technology transfer of certain proprietary technologies and intellectual property to an independent third party licensee. Progress has also been made on other fronts, with the Group being in talks with other interested parties looking to extend its technology licensing business.

(v) Exploring global partnerships in perfusion and fed batch culture media supply, as well as other co-development and licensing opportunities

The Company has entered into material transfer agreements with multiple global culture media suppliers to enable evaluation of the perfusion bioprocessing cell culture media with the goal of establishing global partnerships. The Company has also extended its strategic development reach by joining hands with leading suppliers to develop advanced culture media products.

Management Discussion and Analysis

(vi) Negotiating with various banks to renew and extend existing bank borrowings, and secure new bank facilities beyond December 31, 2024

The Group has already secured bank facilities beyond March 31, 2025, and forged strategic collaboration with certain banks to secure credit facility of over RMB100 million to accelerate innovative therapeutics development. Such funds has been, and will continue to be utilized to support the Group's daily operations and new drug development efforts.

(vii) Negotiating with suppliers to extend repayment dates of the overdue payables

The Group has secured payment deferral and repayment extensions with certain major suppliers, and efforts will continue to be made in this regard going forward.

(viii) Prospecting and engaging new contract development and manufacturing services customers for its services

The Group remains committed in its continuous efforts in prospecting and engaging new customers for such services, and for which progress will be tracked closely and additional measures may be introduced in further support of such efforts.

(ix) 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 optimization of the task force

Ongoing attempts are being made by the Group to optimize resource allocation and utilization towards enhancing overall efficiency and performance.

Audit Committee's view on the Disclaimer of Conclusion

The Audit Committee has reviewed the facts and circumstances leading to the Disclaimer of Conclusion, discussed with the Auditor and the management of the Company on matters and the basis for the Disclaimer of Conclusion, and taken into account the Directors' views thereto and the latest plans and measures undertaken (and continue to focus on) by the Group to support the going concern assumptions used in preparation of the Condensed Consolidated Financial Statements. After careful analysis and prudent assessment of the aforementioned plans and measures (if effectively implemented) in mitigating the liquidity burden, optimising the Group's operations and improving its financial position, the Audit Committee concurs with the Directors' assessment and the basis for forming such a view with respect to adopting going concern assumptions in the preparation of the Condensed Consolidated Financial Statements.

Extract of Independent Auditor's Report

The following is an extract from the independent auditor's report on review of condensed consolidated financial statements for the six months ended 30 June 2025:

Basis for Disclaimer of Conclusion

Going Concern

The Group incurred a net loss of RMB109,785,000 and a net operating cash outflow of RMB75,705,000 for the six-month period ended 30 June 2025 and the Group has net current liabilities of approximately RMB146,480,000 and capital commitment of approximately RMB5,002,000 as at 30 June 2025. These events and conditions may cast significant doubt on the Group's ability to continue as going concern.

Management Discussion and Analysis

The Group has been undertaking a number of plans and measures to mitigate its liquidity pressure and to improve its financial position and the condensed consolidated financial statements have been prepared on a basis that the Group will be able to continue as a going concern, which the details are set out in Note 1 to the condensed consolidated financial statements of the Group.

The validity of the going concern assumptions on which the condensed consolidated financial statements of the Group have been prepared depends on the outcome of these plans and measures, in particular whether successfully (i) engaging with various third parties to further its global development and commercialization of a major pipeline, with "licensing out" and/or "co-development" plans; (ii) pursuing out-licensing or fund raising to support further development of other pipelines in a timely manner; (iii) obtaining capital funding in a timely manner; (iv) securing new banking facility, renewing and extending of existing bank borrowings in a timely manner; (v) extending the repayment dates of the overdue payables.

Given the execution of the plans and measures by the Group are in progress and no written contractual agreements or other sufficient documentary supporting evidence from the relevant counter parties for the above-mentioned plans and measures, we are unable to obtain sufficient appropriate evidence we considered necessary to assess the likelihood of success of the plans and measures currently undertaken by the Group and further to form a conclusion as to whether the use of the going concern basis of accounting by the directors of the Company is appropriate. There were no other satisfactory procedures that we could adopt to satisfy ourselves that the appropriateness of the use of the going concern basis of accounting by the directors of the Company and adequacy of the related disclosures in the condensed consolidated financial statements.

Should the Group fail to achieve a combination of the above-mentioned plans and measures, it might not be able to continue to operate as a going concern, and adjustments might have to be made to write down the carrying values of the Group's assets including goodwill, property, plant and equipment, intangible assets and right-of-use assets to their recoverable amounts, to reclassify certain non-current liabilities to current liabilities with consideration of the contractual terms, or to recognize any further liabilities which might arise, where appropriate, for the six month period ended 30 June 2025 and/or previous periods. The effects of these adjustments have not been reflected in the condensed consolidated financial statements of the Group.

The possible effects on the condensed consolidated financial statements of undetected misstatements, if any, could be both material and pervasive.

Disclaimer of Conclusion

We do not form a conclusion on the condensed consolidated financial statements of the Group. Due to the significance of the matters described in the Basis for Disclaimer of Conclusion section, we were unable to obtain sufficient appropriate evidence in assessing the appropriateness of the use of the going concern basis of accounting by the directors of the Company and adequacy of the related disclosures in the condensed consolidated financial statements.

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, 2025:

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, 2025, 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]	37,926,000	8.67%	Long position
Mr. Jiasong Tang	Beneficial owner [4]	60,000	0.01%	Long position
Mr. Zhihua Zhang	Beneficial owner [5]	60,000	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]	4,461,501	1.02%	Long position

Other Information

Notes:

(1) The calculation is based on the total number of 437,381,945 Shares as at June 30, 2025.

(2) Includes 6,365,634 Shares Dr. Qian holds in his name, 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 60,000 Shares pursuant to the share awards granted to him.

(5) Represents Mr. Zhihua Zhang's entitlement to receive up to 60,000 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 649,660 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, 2025, 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, 2025, 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	37,926,000	8.67%	Long position
HSBC Trust Company (Delaware) National Association[2]	Trustee of discretionary trust	45,653,530	10.44%	Long position
Yi Shi[3]	Interest in controlled corporation	70,536,703	16.13%	Long position
LAV Asset Management (Hong Kong) Limited[3]	Investment manager	70,536,703	16.13%	Long position
LAV Corporate GP, Ltd.[3]	Interest in controlled corporation	50,566,136	11.56%	Long position
LAV GP III, L.P.[3]	Interest in controlled corporation	50,566,136	11.56%	Long position
LAV Biosciences Fund III, L.P.[3]	Beneficial owner; interest in controlled corporation	33,710,963	7.71%	Long position
LAV Vitality Limited[3]	Beneficial owner	22,388,232	5.12%	Long position
Temasek Holdings (Private) Limited[4]	Interest in controlled corporation	28,086,380	6.42%	Long position
Fullerton Management Pte Ltd[4]	Interest in controlled corporation	26,021,880	5.95%	Long position
Temasek Life Sciences Private Limited[4]	Interest in controlled corporation	26,021,880	5.95%	Long position
TLS Beta Pte. Ltd.[4]	Beneficial owner	26,021,880	5.95%	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	9.01%	Long position
Xiaohong Shi[6]	Beneficial owner	22,411,376	5.12%	Long position

Other Information

Notes:

(1) The calculation is based on the total number of 437,381,945 Shares in issue as at June 30, 2025.

(2) Dr. Xueming Qian is an executive Director and chief executive officer of our Company.

This includes 6,365,634 Shares Dr. Qian holds in his name, 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 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.

Save as disclosed above, as at June 30, 2025, 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.

Other Information

EQUITY PLANS

The Company has one terminated share scheme (terminated on May 31, 2023) with awards outstanding and one effective 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 on the principal terms of the Pre-IPO Equity Incentive Plan and the circular published by the Company on October 16, 2022 for further details on the principal terms of the Share Incentive Scheme.

2,766,000 new Shares, representing approximately 0.68% of the weighted average of issued shares (excluding treasury shares) of the Company, may be issued in respect of all options and awards granted during the Reporting Period to eligible participants pursuant to the Pre-IPO Equity Incentive Plan and the Share Incentive Scheme, no new Shares were issued during the Reporting Period.

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 on January 1, 2019. 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**"). The termination of the Pre-IPO Equity Incentive Plan shall not affect the validity of the outstanding share options and restricted share units granted under the Pre-IPO Equity Incentive Plan, which shall continue to vest, be valid and exercisable in accordance with the terms of the Pre-IPO Equity Incentive Plan.

Other Information

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

As the Pre-IPO Equity Incentive Plan shall automatically terminate in relation to Pre-IPO Options (but not RSUs) upon Listing, no further Pre-IPO Options has been granted under the Pre-IPO Equity Incentive Plan 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, 2025 are as follows.

Name	Date of grant	Vesting period[1]	Exercise price	Outstanding as at January 1, 2025[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, 2025[2],[3]
Directors									
Dr. Li Xu	July 3, 2019	2,400,000 Options vested over 4 years; and 1,600,000 Options: based on performance targets	US$0.34	2,200,000	–	–	–	–	2,200,000
Other grantees in category (other than Directors, chief executive or substantial shareholders of the Company)									
204 Employee Participants in aggregate	Between September 28, 2016 to June 13, 2021	29,385,038 Options will vest over 2 to 4 years	Between US$0.001 to US$1.5	8,349,260	49,500[5]	HK$1.73	5,000	–	8,294,760
7 service providers in aggregate[4]	Between September 28, 2016 to November 16, 2020	1,596,925 Options will vest 4 to 5 years	Between US$0.0879 to US$0.4688	680,000	–	–	–	–	680,000
Total				**11,229,260**	**49,500**	**–**	**5,000**	**–**	**11,174,760**

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

(5) The exercise price of the Pre-IPO Options exercised during the Reporting Period is between US$0.0879 to US$0.1000 per Share.

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, 2025 are as follows:

Name	Date of grant	Vesting period[1]	Purchase price (per Share)	Performance target[1]	Closing price of Shares immediately before the date of grant	Fair value of RSUs on the date of grant (per RSU)[2]	Unvested RSUs as at January 1, 2025[3]	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, 2025[3]
Other grantees in category (other than Directors, chief executive or substantial shareholders of the Company)												
1 Employee Participants[4]	December 19, 2022	3,400,000 RSUs will vest from the date of the grant to December 17, 2025; 1,000,000 RSUs based on performance targets	US$0.001	Based on valuation of the Company	HK$3.07	US$0.3009	1,850,000	354,166	HK$1.62	1,495,834	–	–
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	HK$2.96	US$0.3478-0.9137	630,000	132,500[5]	HK$1.44	–	–	497,500
Total							**2,480,000**	**486,666**	**–**	**1,495,834**	**–**	**497,500**

Notes:

(1) All performance targets are set out in the respective Offer Letters or Grant Letters.

(2) 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.

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

(4) This represents the Awards granted to Mr. Xiaolu Weng, who resigned as Chief Financial Officer of the Company with effect from February 28, 2025 and remained as a consultant of the Company till May 31, 2025.

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

For further details of the outstanding RSUs granted under the Pre-IPO Equity Incentive Plan, please refer to the announcements and circular published by the Company on December 20, 2022, January 26, 2023, February 16, 2023 and March 9, 2023.

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. Unless otherwise specified, capitalized terms used herein shall have the same meanings as those contained in the circular dated 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, 2025, 2,383,784 Awards or Options were available for future grant under the Share Incentive Scheme Limit and 2,383,784 Awards or Options were available for future grant under the Service Provider Sublimit (Service Provider Sublimit being subject to the Share Incentive Scheme Limit). During the Reporting Period, 766,000 Awards and 2,000,000 Options were granted to eligible participants pursuant to the Share Incentive Scheme, and 4,280,060 Awards and nil Options had lapsed in accordance with the rules of the Share Incentive Scheme, respectively. It follows that, as of June 30, 2025, 3,897,844 Awards or Options were available for future grant under the Share Incentive Scheme Limit and 3,897,844 Awards or Options were available for future grant under the Service Provider Sublimit (Service Provider Sublimit being subject to the Share Incentive Scheme Limit).

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, 2025 are as follows:

Name	Date of grant	Vesting period[1]	Exercise price	Performance targets[2]	Closing price of Shares immediately before the date of grant	Fair value of the Options on the date of grant (per Option)[3]	Outstanding as at January 1, 2025	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, 2025
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	HK$3.07	US$0.1552	400,000	-	-	-	-	-	400,000
	January 26, 2023	2,971,727 Options will vest over 3 years; and 669,297 Options: based on performance targets	HK$3.02	Upon milestone achievements of clinical development	HK$3.02	US$0.1622-0.1814	3,641,024	-	-	-	-	-	3,641,024
Dr. Li Xu	December 19, 2022	891,976 Options: based on performance targets	HK$3.23	Upon milestone achievements of clinical development	HK$3.07	US$0.1552-0.1944	891,976	-	-	-	-	-	891,976
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 will vest over 1-4 years; 7,558,264 Options: based on performance targets	HK$3.23	Upon the achievements of performance targets including various project milestone achievements on clinical development, CMC, and partnership	HK$3.07	US$0.1552-0.2375	9,267,697	-	-	-	-	-	9,267,697
1 Employee Participant[5]	January 26, 2023	3,062,212 Options will vest over 3 years; 1,790,969 Options: based on performance targets	HK$3.02	Upon milestone achievements of clinical development	HK$3.02	US$0.1259-0.1555	3,946,633	-	-	-	-	-	3,946,633
2 Employee Participants in aggregate	March 31, 2023	50,000 Options will vest over 4 years; 100,000 Options: based on performance targets	HK$2.56	Upon target achievements on success of business development and Company coverage	HK$2.56	US$0.1428-0.1781	150,000	-	-	-	-	-	150,000
Service Provider													
Dr. Caroline Gemma[6]	June 25, 2025	2,000,000 Options: based on performance targets	HK$1.48	Upon milestone achievements of clinical development and partnership	HK$1.54	US$0.0974-0.1346	-	2,000,000	-	-	-	-	2,000,000
Total							**18,297,330**	**2,000,000**	**0**	**0**	**0**	**0**	**20,297,330**

Other Information

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) All performance targets are set out in grant letters or offer letters.

(3) 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 binomial tree price model. The assumptions include risk free rate and expected volatility.

(4) This includes the 4,000,000 vested options granted to Dr. Yining Zhao, who resigned as chairman of the Board and non-executive Director with effect from June 7, 2024. Such vested Options are valid and exercisable until the expiration of exercise period in accordance with the terms of the Share Incentive Scheme.

(5) This represents the 3,946,633 vested options granted to Dr. Yining Zhao. Such vested Options are valid and exercisable until the expiration of exercise period in accordance with the terms of the Share Incentive Scheme.

(6) The service provider is Dr. Caroline Gemma, who has been engaged as a consultant of the Company with effect from May, 15, 2025.

For further details of the Options granted under the Share Incentive Scheme during the Reporting Period, please refer to the announcements published by the Company on June 25, 2025 and July 7, 2025.

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, 2025 are as follows:

Name	Date of grant	Vesting period[1]	Purchase price (per Share)	Performance target[2]	Closing price of Shares immediately before the date of grant	Fair value of Awards on the date of grant (per Award)[3]	Unvested Awards as at January 1, 2025	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, 2025
Directors, chief executive or substantial shareholder													
Dr. Xueming Qian	January 26, 2023	4,277,188 Awards 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. Li Xu	December 27, 2023	150,000 Awards will vest over 1.5 years.	Nil	-	HK$2.61	US$0.3670	150,000	-	150,000	HK$1.43	-	-	-
	January 26, 2024	461,640 Awards will vest over 1.5 years.	Nil	-	HK$3.50	US$0.4324	461,640	-	-	-	-	-	461,640
	June 25, 2025	30,000 Awards will vest over three years.	Nil	-	HK$1.54	US$0.1888	-	30,000	-	-	-	-	30,000

Other Information

Name	Date of grant	Vesting period[1]	Purchase price (per Share)	Performance target[2]	Closing price of Shares immediately before the date of grant	Fair value of Awards on the date of grant (per Award)[3]	Unvested Awards as at January 1, 2025	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, 2025
Mr. Jiasong Tang	June 25, 2025	30,000 Awards will vest over 3 years.	Nil	-	HK$1.54	US$0.1888	-	30,000	-	-	-	-	30,000
Mr. Zhihua Zhang	June 25, 2025	30,000 Awards will vest over 3 years.	Nil	-	HK$1.54	US$0.1888	-	30,000	-	-	-	-	30,000
Dr. Kumar Srinivasan	April 6, 2023	30,000 Awards will vest over 3 years.	Nil	-	HK$2.73	US$0.3418	20,000	-	10,000	HK$1.38	-	-	10,000
Ms. Helen Wei Chen	December 27, 2023	30,000 Awards will vest over 3 years.	Nil	-	HK$2.61	US$0.3670	20,000	-	-	-	-	-	20,000
Senior management													
Dr. Caroline Germa[4]	December 19, 2022	3,000,000 Awards will vest over 4 years.	US$0.001	-	HK$3.07	US$0.3850	1,500,000	-	-	-	1,500,000	-	-
	March 31, 2023	1,500,000 Awards will be vested 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	500,000 Awards will be vested 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	100,000 Awards will vest over 1.5 years.	Nil	-	HK$2.61	US$0.3670	100,000	-	-	-	100,000	-	-
	January 26, 2024	305,620 Awards will vest over 1.5 years.	Nil	-	HK$3.50	US$0.4324	305,620	-	-	-	305,620	-	-

Other Information

Name	Date of grant	Vesting period[1]	Purchase price (per Share)	Performance target[2]	Closing price of Shares immediately before the date of grant	Fair value of Awards on the date of grant (per Award)[3]	Unvested Awards as at January 1, 2025	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, 2025
Other grantees in category (other than Directors, chief executive or substantial shareholders of the Company)													
269 Employee Participants in aggregate	April 15, 2022	1,446,300 Awards will vest over 3 years	Nil	-	HK$7.15	US$0.9117	4,800	-	-	-	-	-	4,800
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	Nil	Upon the achievement of performance targets on CMC, clinical development and partnership	HK$3.07	US$0.3858	848,596	-	-	-	73,334	-	775,262
5 Employees in aggregate	March 31, 2023	310,000 Awards will vest over 1~4 years.	Nil	-	HK$2.56	US$0.3101	222,500	-	67,500	HK$1.82	20,000	-	135,000
231 Employee Participants in aggregate	July 21, 2023	2,492,800 Awards will vest over 1~4 years; 300,000 Awards based on performance targets.	Nil	Upon target achievements of milestones for drug discovery, clinical development, regulatory approval and partnership development of several programs	HK$5.10	US$0.6559	276,734	-	-	-	-	-	276,734
31 Employee Participants in aggregate[5]	December 27, 2023	1,603,000 Awards will vest over 1~4 years.	US$0.00-0.001		HK$2.61	US$0.3662-0.3670	275,000	-	-		200,000		75,000
203 Employees Participants in aggregate[6]	January 26, 2024	3,452,010 Awards will vest over 1 year.	Nil		HK$3.50	US$0.2726-0.4324	3,406,380		3,406,380	HK$0.57	-	-	-
2 Employees Participants in aggregate[7]	August 30, 2024	200,000 Awards will vest over 12 months; 400,000 Awards will vest over 4 years; 300,000 Awards based on performance targets.	Nil	Upon target achievements of milestones for the fulfillment of the relevant partnership	HK$1.35	US$0.1713	833,336	-	83,330	HK$1.39	50,006		700,000
27 Employees Participants in aggregate	April 2, 2025	676,000 Awards will vest over 1 year	Nil	-	HK$1.63	US$0.1933	-	676,000	-	-	31,100	-	644,900
Total							**14,701,794**	**766,000**	**3,717,210**	**-**	**4,280,060**	**-**	**7,470,524**

Other Information

Notes:

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

(2) All performance targets are set out in the relevant grant letters or offer letters.

(3) 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 binomial tree price model. The assumptions include risk free rate and expected volatility.

(4) Dr. Caroline Germa has been engaged as a consultant of the Company with effect from May 15, 2025.

(5) This includes the 200,000 vested Awards granted to Mr. Xiaolu Weng.

(6) This includes the 203,960 vested Awards granted to Mr. Xiaolu Weng.

(7) This includes the 149,994 vested Awards granted to Mr. Xiaolu Weng.

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 April 2, 2025 and June 25, 2025.

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

During the Reporting Period, the Company repurchased a total of 166,500 ordinary shares (the "**Shares Repurchased**") of the Company on the Stock Exchange at an aggregate consideration of approximately HK$99,959.45. The repurchase of shares was conducted to enhance the value in the shares of the Company and for 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 *(HK$)*
2025				
January	166,500	0.6100	0.5800	99,959.45
Total	166,500	–	–	99,959.45

During the Reporting Period, the Shares Repurchased were subsequently reserved as treasury shares.

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 and up to the date of this report. As at June 30, 2025, the Company held 2,516,500 treasury Shares, which may be used for transfer or for share grants under share schemes that comply with Chapter 17 of the Listing Rules, resale at market price to raise additional funds as and when deemed appropriate by the Company, and for other purposes permitted under the Listing Rules, the Articles of Association and the applicable laws of the Cayman Islands, subject to market conditions and our Group's capital management needs.

Other Information

MATERIAL LITIGATION

The Company was not involved in any material litigation or arbitration during the Reporting Period. The Directors are also not aware of any material litigation or claims that were pending or threatened against the Group during the Reporting Period.

FUTURE PLANS FOR MATERIAL INVESTMENT OR CAPITAL ASSETS

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

USE OF NET PROCEEDS

Background

References are made to the section headed "Future Plans and Use of Proceeds" in the Prospectus, which sets out the Company's intended use of the net proceeds (the "**Intended Use**") from the Global Offering of approximately HK$553.4 million ("**Net Proceeds**") at the time of the listing of its Shares on the Main Board of the Stock Exchange (the "**Listing**"), the "Change in Use of Net Proceeds" as disclosed in the annual results announcement for the year ended 2022 (the "**2022 Annual Results Announcement**"), the "Further Change in Use of Net Proceeds" as detailed in the interim results announcement for the six months ended June 30, 2024 (the "**2024 Interim Results Announcement**") and the "Latest Change in Use of Net Proceeds" as detailed in the annual results announcement for the year ended December 31, 2024 (the "**2024 Annual Results Announcement**") on the reallocation and change in use of Net Proceeds. Unless otherwise defined, capitalized terms used herein shall have the same meaning as those defined in the Prospectus, the 2022 Annual Results Announcement, the 2024 Interim Results Announcement and the 2024 Annual Results Announcement (in the event of conflict or inconsistency, the definitions in the 2024 Annual Results Announcement shall prevail).

As a clinical stage biopharmaceutical company with fully integrated capacities in discovery, research, development, and manufacturing, we have established a diversified and differentiated pipeline with drug candidates that have first-in-class or best-in-class potential, demonstrate clear clinical benefits, address significantly unmet medical needs and are highly synergistic with other candidates in our pipeline. It is our endeavor to advance our pipelines and edging them closer to commercialization. As disclosed in the section headed "Risk Factors – Risks related to preclinical and clinical development of drug candidates" in the Prospectus, clinical trial is expensive and can take a few years to complete, with inherently uncertain outcome. Also disclosed in the Prospectus is the risk of having our limited resources allocated to pursue a particular drug candidate or indication whilst failing to capitalize on drug candidates or indications that may later prove to be more profitable or having a greater likelihood of success. With our business and results of operations hinging on our ability to commercialize our drug candidates, there is thus always the risk that the Intended Use formulated based on predictions, assessment and analysis of the clinical development stages and outcome at the time of the Listing may, at any point in time thereafter, be no longer compatible with our actual operative needs and commercialization goals.

Other Information

In view of the accelerated development post-Listing of our leading assets including but not limited to osemitamab (TST001), a potential best-in-class and differentiated antibody targeting Claudin18.2, a validated tumor associated antigen, which has gradually emerged as having the highest potential of commercialization, the Board has, after re-evaluating the Intended Use, resolved to reallocate the respective amounts of approximately HK$166 million, HK$30.0 million and HK$50.8 million of the unutilized Net Proceeds to fund the development of osemitamab (TST001). Details of such Change in Use of Net Proceeds, Further Change in Use of Net Proceeds and Latest Change in Use of Net Proceeds, as well as the reasons therefor are disclosed in the 2022 Annual Results Announcement, the 2024 Interim Results Announcement and the 2024 Annual Results Announcement. Such reallocation and deployment of unutilized Net Proceeds is considered to be more in line with our current business needs and our aim to develop osemitamab (TST001) as the global cornerstone treatment in Claudin18.2 expressing solid tumors including G/GEJ cancer, PDAC, and lung cancer, as well as enhance our Claudin18.2 franchise through proprietary combinations of osemitamab (TST001) with our other key oncology drug candidates.

Further to the aforementioned strategic realignment of resources and to accord priority to pressing project needs, the Board has resolved to further change the Intended Use on August 27, 2025, by reallocating HK$28.8 million from the unutilized Net Proceeds previously applied towards the development of TST005, TST002 and business development to fund the development of osemitamab (TST001) and other projects that currently require support and funding to progress further, especially for pipeline products that require funding for preclinical trials and registration filings (the "**Updated Change in Use of Net Proceeds**") based on the reasons disclosed in the section "Reasons for the Updated Change in Use of Net Proceeds" below. The table below sets out the utilization of Net Proceeds as at June 30, 2025, the allocation of the remaining unutilized Net Proceeds following the Updated Change in Use of Net Proceeds and the expected timeline for utilization of the remaining unutilized Net Proceeds:

Other Information

Use of Net Proceeds		Amount of utilized Net Proceeds as at June 30, 2025[1]	Amount of unutilized Net Proceeds as at June 30, 2025[1]	Amount utilized during the Reporting Period	Allocation of Net Proceeds before the Updated Change in Use of Net Proceeds	Intended allocation of the remaining Net Proceeds after the Updated Change in Use of Net Proceeds		Expected timeline of full utilization of the unutilized Net Proceeds[2]
		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 (the "**Relevant Use**") as follows:	467.3	20.8	51.0	488.1	100	30.8	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)	349.5	–	42.8	349.5	83.1	25.6	On or before December 31, 2025

Other Information

Use of Net Proceeds	Amount of utilized Net Proceeds as at June 30, 2025[1]	Amount of unutilized Net Proceeds as at June 30, 2025[1]	Amount utilized during the Reporting Period	Allocation of Net Proceeds before the Updated Change in Use of Net Proceeds	Intended allocation of the remaining Net Proceeds after the Updated Change in Use of Net Proceeds		Expected timeline of full utilization of the unutilized Net Proceeds[2]
	HK$ million	HK$ million	HK$ million	HK$ million	% of remaining unutilized Net Proceeds (approximately)	HK$ million	
(ii) fund ongoing and planned clinical trials, preparation for registration filings and potential commercial launch (including sales and marketing) of our key product, TST005	12.3	9.7	0.3	22.0	6.5	2.0	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	31.1	11.0	–	42.1	–	–	On or before December 31, 2025
(iv) fund ongoing and planned preclinical trials and preparation for registration filings of our key product and other pipeline products, including TST004, MSB0254, TST003, TST006 and TST008	74.5	–	8.0	74.5	10.4	3.2	On or before December 31, 2025

Other Information

Use of Net Proceeds		Amount of utilized Net Proceeds as at June 30, 2025[1]	Amount of unutilized Net Proceeds as at June 30, 2025[1]	Amount utilized during the Reporting Period	Allocation of Net Proceeds before the Updated Change in Use of Net Proceeds	Intended allocation of the remaining Net Proceeds after the Updated Change in Use of Net Proceeds		Expected timeline of full utilization of the unutilized Net Proceeds[2]
		HK$ million	HK$ million	HK$ million	HK$ million	% of remaining unutilized Net Proceeds (approximately)	HK$ million	
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	–	10.0	–	10.0	–	–	On or before December 31, 2025
3.	For general working capital purposes and general operation expenses	55.3	–	–	55.3	–	–	N/A
Total		522.7	30.8	51.1	553.4	100	30.8	N/A

Other Information

Notes:

1. The amount of utilized and unutilized Net Proceeds before the Updated Change in Use of Net Proceeds.

2. Notwithstanding the Updated Change in Use of Net Proceeds, the expected timeline of full utilization of the unutilized Net Proceeds remain unchanged both before and after the Updated Change in Use of Net Proceeds, i.e. all the remaining Net Proceeds is expected to be fully utilized on or before December 31, 2025.

REASONS FOR THE UPDATED CHANGE IN USE OF NET PROCEEDS

The Updated Change in Use of Net Proceeds follows the strategic direction of the previous changes, which together represents our clear and coherent plan to optimize the deployment of financial resources to better adapt and cope with changing market conditions, business development priorities and maximize potential returns of investment, which fully aligned with the Group's long-term growth and business strategy that aims at continuing and accelerating our strong commitment to drive commercialization and innovation.

With osemitamab (TST001), one of the Company's key programs with significant potential commercial value, being on track to become a promising global therapy that sets on to deliver the next wave of innovation in the first-line treatment of patients with Claudin18.2 expressing locally advanced or metastatic G/GEJ cancer, diverting resources to advance its clinical development globally is thus not only beneficial but also pivotal to the Group's operations. Meanwhile, we remain keen on driving progress in our early-stage pipeline to fulfil the commitment to building a globally competitive company with diversified programs, by funding ongoing and planned preclinical trials and preparation for registration filings of our key products and other pipeline products, which have huge potential in multiple indications. Accordingly, the Board has resolved to prioritize the funding of osemitamab (TST001) and other ongoing projects which the Board considers as having pressing financing needs.

The Board has considered the impact of the Updated Change in Use of Net Proceeds on the Group's business and is of the view that the reallocation of the unutilized Net Proceeds will enable the Group to utilize its cash resources to meet the overall financial needs of the Group more efficiently in light of the latest development of the Group's business and its actual operating conditions. The Board further confirms that there is no material change in the business of the Group as set out in the Prospectus, and that it will closely monitor the utilization of the remaining utilized Net Proceeds to ensure effective deployment of resources. The Board considers that the Updated 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 remaining unutilized Net Proceeds, in accordance with the Updated 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 remaining unutilized Net Proceeds. Meanwhile, the Board will continuously assess the use of the unutilized Net Proceeds and may revise or amend the use where necessary to cope with the changing market conditions and strive for better business performance of the Group.

Other Information

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, 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, 2025 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 report 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.

INTERIM DIVIDEND

The Board does not recommend the distribution of an interim dividend for the six months ended June 30, 2025.

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. Jiasong Tang (唐稼松) retired as an independent non-executive director, chairman of the audit committee and a member of the remuneration committee of ENN Natural Gas Co., Ltd. (新奧天然氣股份有限公司 and formerly named ENN Ecological Holdings Co., Ltd. 新奧生態控股股份有限公司), a publicly listed company on the Shanghai Stock Exchange (SHA: 600803) on May 28, 2025.

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.

Other Information

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.

The Board is committed to achieving high corporate governance standards. 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.

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 ended December 31, 2025. 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.

Change of Chief Medical Officer

As mentioned in the announcement of the Company dated July 7, 2025, Dr. Caroline Germa ("**Dr. Germa**"), M.D., Ph.D., who previously served as the Executive Vice President ("**EVP**") of Global Medicine Development and Chief Medical Officer ("**CMO**") of the Company, has been engaged as a member of the Company's science advisory board for a term of three years and will continue to contribute to the Company's long-term development.

Other Information

Dr. Germa provides continuous advisory services to the Company on a continuing basis, including but not limited to advising the Company on clinical development strategy, interactions with multiple regulatory agencies, fund raising, business development efforts and scientific direction of the Group's pipeline products. These services are integral to the Group's core operations in drug discovery and development and fall within the ordinary and usual course of its business as a clinical-stage biopharmaceutical company. The Company considered Dr. Germa's continuing support essential to its operations and project implementation and her advice and industry experience will help the Company advance its pipeline going forward.

Dr. Chuan Qi ("**Dr. Qi**") has taken the responsibility as the Head of Global Clinical Development upon the resignation of Dr. Germa, and Dr. Qi has been the Senior Vice President since August 2020 and was promoted to EVP starting from May 2025, with both effective from May 15, 2025. The Head of Global Clinical Development is a strategic leadership role covering not only clinical development, but also medical affairs, drug safety, pharmacovigilance, translational medicine, clinical operations, regulatory affairs and biostats/data management activities, with a similar responsibility scope and position level to that of CMO.

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

Dr Qi has been Senior Vice President of Global Clinical Department of the Company since August 2020. Dr. Qi is a medical oncologist by training and was a physician in the Oncology Department of Shanghai Pulmonary Hospital before joining the industry. He has 20 years of drug development experience. He has successfully led the clinical development of multiple small molecules, antibodies and ADCs and achieved regulatory approval in China and the overseas market.

Prior to joining the Company, Dr. Qi was the Head of Oncology Product Development of Roche Global Product Development Center ("**Roche**") in Shanghai and led his team in achieving China and global approval of more than 10 innovative anti-cancer drugs/indications, including Atezolizumab, Alecensa, Perjeta, Kadcyla, etc. Prior to his tenure at Roche, Dr. Qi served as Head of Clinical Science and program leader of Savolitinib, Surufatinib at Hutchison MediPharma ("**Hutchison**") where he led the China and global clinical development of multiple innovative drugs from phase I to phase III. Before Hutchison, Dr. Qi took multiple positions of Medical Liaison, Medical Manager and Medical Director at Eli Lilly and Roche and led the clinical development of innovative anti-cancer drugs in China including Avastin, Tarceva, MetMab etc.

Hong Kong, August 27, 2025

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 were engaged to review the condensed consolidated financial statements of Transcenta Holding Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 57 to 83, which comprise the condensed consolidated statement of financial position as of 30 June 2025 and the related condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended, and notes to the condensed consolidated financial statements. 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") as 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. However, because of the matters described in the Basis for Disclaimer of Conclusion section of our report, we were not able to obtain appropriate evidence as a basis for expressing a conclusion on the condensed consolidated financial statements.

BASIS FOR DISCLAIMER OF CONCLUSION

Going concern

The Group incurred a net loss of RMB109,785,000 and a net operating cash outflow of RMB75,705,000 for the six-month period ended 30 June 2025 and the Group has net current liabilities of approximately RMB146,480,000 and capital commitment of approximately RMB5,002,000 as at 30 June 2025. These events and conditions may cast significant doubt on the Group's ability to continue as going concern.

The Group has been undertaking a number of plans and measures to mitigate its liquidity pressure and to improve its financial position and the condensed consolidated financial statements have been prepared on a basis that the Group will be able to continue as a going concern, which the details are set out in Note 1 to the condensed consolidated financial statements of the Group.

The validity of the going concern assumptions on which the condensed consolidated financial statements of the Group have been prepared depends on the outcome of these plans and measures, in particular whether successfully (i) engaging with various third parties to further its global development and commercialization of a major pipeline, with "licensing out" and/or "co-development" plans; (ii) pursuing out-licensing or fund raising to support further development of other pipelines in a timely manner; (iii) obtaining capital funding in a timely manner; (iv) securing new banking facility, renewing and extending of existing bank borrowings in a timely manner; (v) extending the repayment dates of the overdue payables.

Report on Review of Condensed Consolidated Financial Statements

BASIS FOR DISCLAIMER OF CONCLUSION *(Continued)*

Going concern *(Continued)*

Given the execution of the plans and measures by the Group are in progress and no written contractual agreements or other sufficient documentary supporting evidence from the relevant counter parties for the above-mentioned plans and measures, we are unable to obtain sufficient appropriate evidence we considered necessary to assess the likelihood of success of the plans and measures currently undertaken by the Group and further to form a conclusion as to whether the use of the going concern basis of accounting by the directors of the Company is appropriate. There were no other satisfactory procedures that we could adopt to satisfy ourselves that the appropriateness of the use of the going concern basis of accounting by the directors of the Company and adequacy of the related disclosures in the condensed consolidated financial statements.

Should the Group fail to achieve a combination of the above-mentioned plans and measures, it might not be able to continue to operate as a going concern, and adjustments might have to be made to write down the carrying values of the Group's assets including goodwill, property, plant and equipment, intangible assets and right-of-use assets to their recoverable amounts, to reclassify certain non-current liabilities to current liabilities with consideration of the contractual terms, or to recognize any further liabilities which might arise, where appropriate, for the six month period ended 30 June 2025 and/or previous periods. The effects of these adjustments have not been reflected in the condensed consolidated financial statements of the Group.

The possible effects on the condensed consolidated financial statements of undetected misstatements, if any, could be both material and pervasive.

DISCLAIMER OF CONCLUSION

We do not form a conclusion on the condensed consolidated financial statements of the Group. Due to the significance of the matters described in the Basis for Disclaimer of Conclusion section, we were unable to obtain sufficient appropriate evidence in assessing the appropriateness of the use of the going concern basis of accounting by the directors of the Company and adequacy of the related disclosures in the condensed consolidated financial statements.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
27 August 2025

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

FOR THE SIX MONTHS ENDED 30 JUNE 2025

	NOTES	Six months ended 30 June	
		2025	2024
		RMB'000	RMB'000
		(Unaudited)	(Unaudited)
Revenue	3	**2,711**	4,564
Cost of sales		**(1,920)**	(3,040)
Gross profit		**791**	1,524
Other income	5	**11,366**	9,570
Other gains and losses, net	6	**(1,192)**	1,038
Impairment losses under expected credit loss model		**(9,946)**	(4,361)
Research and development expenses		**(76,731)**	(102,965)
Administrative and selling expenses		**(28,291)**	(31,440)
Other expense		**(1,940)**	–
Share of results of a joint venture		**4**	(11)
Finance costs		**(3,968)**	(7,202)
Loss before tax	8	**(109,907)**	(133,847)
Income tax credit	7	**122**	125
Loss for the period		**(109,785)**	(133,722)
Other comprehensive income (expense) for the period			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of a foreign operation		**1,001**	(1,463)
Total comprehensive expense for the period		**(108,784)**	(135,185)
Loss for the period attributable to:			
– Owners of the Company		**(109,785)**	(133,722)
Total comprehensive expense for the period attributable to:			
– Owners of the Company		**(108,784)**	(135,185)
Loss per share	10		
– Basic and diluted (RMB)		**(0.27)**	(0.33)

Condensed Consolidated Statement of Financial Position

AT 30 JUNE 2025

	NOTES	At 30 June 2025 RMB'000 (Unaudited)	At 31 December 2024 RMB'000 (Audited)
Non-current assets			
Property, plant and equipment	11	**298,188**	321,101
Right-of-use assets		**21,652**	23,206
Goodwill	12	**471,901**	471,901
Interests in a joint venture		**1,297**	1,293
Deposits paid for acquisition of property, plant and equipment		**2,980**	1,938
Value-added-tax ("VAT") recoverable		**4,808**	4,858
Intangible assets	13	**95,708**	95,752
Other receivables	14	**424**	454
Pledged bank deposits		**280**	280
		897,238	920,783
Current assets			
Inventories		**15,138**	16,620
Trade and other receivables	14	**20,311**	31,107
Contract costs	15	**3,029**	2,132
VAT recoverable		**2,202**	2,512
Pledged bank deposits		**54,972**	57,700
Bank balances and cash		**45,810**	169,423
		141,462	279,494
Current liabilities			
Trade and other payables	16	**96,287**	113,929
Contract liabilities		**705**	547
Short-term borrowings	17	**184,046**	217,090
Lease liabilities		**2,504**	2,541
Deferred income	18	**4,400**	8,400
		287,942	342,507
Net current liabilities		**(146,480)**	(63,013)
Total assets less current liabilities		**750,758**	857,770

Condensed Consolidated Statement of Financial Position

AT 30 JUNE 2025

	NOTES	At 30 June 2025 RMB'000 (Unaudited)	At 31 December 2024 RMB'000 (Audited)
Non-current liabilities			
Long-term borrowings	17	**9,900**	16,050
Lease liabilities		**13,691**	14,926
Deferred income	18	**50,300**	50,300
Deferred tax liabilities		**24,733**	24,858
		98,624	106,134
Net assets		**652,134**	751,636
Capital and reserves			
Share capital	19	**285**	284
Treasury shares		**(2,462)**	(2,371)
Reserves		**654,311**	753,723
Total equity		**652,134**	751,636

Condensed Consolidated Statement of Changes In Equity

FOR THE SIX MONTHS ENDED 30 JUNE 2025

	Attributable to owners of the Company							
	Share capital RMB'000 (Note 19)	Share premium RMB'000	Treasury shares RMB'000 (Note 19)	Other reserves RMB'000 (Note)	Share-based payment reserves RMB'000	Accumulated losses RMB'000	Translation reserves RMB'000	Total RMB'000
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
Issuance of shares hold on trust	1	–	(1)	–	–	–	–	–
Exercise of share options	–*	31	–	–	(12)	–	–	19
At 30 June 2024 (Unaudited)	284	4,657,659	(3,301)	(231,245)	131,875	(3,642,841)	(10,423)	902,008
At 1 January 2025 (Audited)	**284**	**4,654,387**	**(2,371)**	**(231,245)**	**142,982**	**(3,799,411)**	**(12,990)**	**751,636**
Total comprehensive (expense) income for the period	**–**	**–**	**–**	**–**	**–**	**(109,785)**	**1,001**	**(108,784)**
Share repurchased	**–**	**–**	**(93)**	**–**	**–**	**–**	**–**	**(93)**
Recognition of equity-settled share-based payment	**–**	**–**	**–**	**–**	**9,339**	**–**	**–**	**9,339**
Issuance of shares hold on trust	**1**	**–**	**(1)**	**–**	**–**	**–**	**–**	**–**
Exercise of share options/Vesting of restricted share units	**–***	**336**	**3**	**–**	**(303)**	**–**	**–**	**36**
At 30 June 2025 (Unaudited)	**285**	**4,654,723**	**(2,462)**	**(231,245)**	**152,018**	**(3,909,196)**	**(11,989)**	**652,134**

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 2025

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
NET CASH USED IN OPERATING ACTIVITIES	**(75,705)**	(119,462)
INVESTING ACTIVITIES		
Interest received from banks	**170**	4,394
Purchase of property, plant and equipment	**(4,313)**	(1,566)
Refund of rental deposits	**923**	–
NET CASH (USED IN) FROM INVESTING ACTIVITIES	**(3,220)**	2,828
FINANCING ACTIVITIES		
New borrowings raised	**157,980**	116,500
Repayment of borrowings	**(197,174)**	(168,500)
Repayments of lease liabilities	**(1,605)**	(2,765)
Receipt of proceeds in connection to exercise of share options	**4**	19
Payment on repurchase of ordinary shares	**(93)**	(3,283)
Interest paid	**(3,680)**	(6,849)
NET CASH USED IN FINANCING ACTIVITIES	**(44,568)**	(64,878)
NET DECREASE IN CASH AND CASH EQUIVALENTS	**(123,493)**	(181,512)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD, REPRESENTING BY BANK BALANCES AND CASH	**169,423**	546,026
Effects of foreign exchange rate changes	**(120)**	495
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD, REPRESENTED BY BANK BALANCES AND CASH	**45,810**	365,009

Notes to the Condensed Consolidated Financial Statements

FOR THE SIX MONTHS ENDED 30 JUNE 2025

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 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 RMB109,785,000 and a net operating cash outflow of RMB75,705,000 for the six-month period ended 30 June 2025, and as of that date, the Group has net current liabilities of approximately RMB146,480,000. In addition, the Group has capital commitment of approximately RMB5,002,000 as at 30 June 2025. These events and conditions may cast significant doubt on the Group's ability to continue as going concern.

In view of such circumstances, the directors of the Company have given careful consideration to the future liquidity and the financial position of the Group and the Group's available sources of financing in assessing whether the Group will have sufficient financial resources to continue as a going concern. The Group has taken plans and measures to mitigate its liquidity pressure and to improve its financial position, including:

(i) The Group has been actively engaging with various third parties to further its global development and commercialization of a major pipeline, with "licensing out" and/or "co-development" plans;

(ii) The Group has been actively pursuing out-licensing or fund raising to support further development of other pipelines;

(iii) The Group has engaged in discussion and negotiations with various parties for capital funding;

(iv) The Group has been actively exploring non-exclusive, royalty bearing proprietary technology platform out-licensing opportunities, and has signed a non-legal binding term sheet in March 2025 for collaboration with a partner;

(v) The Group has been exploring global partnership in perfusion and fed batch culture media supply, as well as other co-development and licensing opportunities;

(vi) The Group has been actively negotiating with various banks to renewal and extension of existing bank borrowings beyond 30 June 2025, and to secure new banking facility;

(vii) The Group has been continuing to actively negotiate with the suppliers to extend the repayment dates of the overdue payables;

(viii) The Group has been actively prospecting and engaging new contract development and manufacturing ("CDMO") services customers for its services; and

(ix) The Group has been 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 2025

1. BASIS OF PREPARATION *(Continued)*

Going concern assessment (Continued)

The directors of the Company have reviewed the Group's cashflow projection prepared by management, which cover a period of not less than twelve months from 30 June 2025. They are of the opinion that, taking into account the above-mentioned plans and measures, the liquidity needs of the Group will be managed and the financial position of the Group will be improved. Also, the Group will have sufficient financial resources to finance its operations and meet its financial obligations when they fall due within twelve months from the date of approval of the condensed consolidated financial statements. Accordingly, the directors of the Company have, at the time of approving the condensed consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future.

Thus, the directors of the Company continue to adopt the going concern basis of accounting in preparing the condensed consolidated financial statements.

Notwithstanding the above, significant uncertainties exist as to whether the management of the Group is able to implement the aforementioned plans and measures and continue as a going concern which depend upon the Group's ability to generate adequate cash flows through the following: (i) successfully engaging with various third parties to further its global development and commercialization of a major pipeline, with "licensing out" and/or "co-development" plans; (ii) successfully pursuing out-licensing or fund raising to support further development of other pipelines in a timely manner; (iii) successfully obtaining capital funding in a timely manner; (iv) successfully securing non-exclusive, royalty bearing proprietary technology platform out-licensing opportunities; (v) successfully securing global partnership in perfusion and fed batch culture media supply, as well as other co-development and licensing opportunities; (vi) successfully securing new banking facility, renewing and extending of existing bank borrowings in a timely manner; (vii) successfully extending the repayment dates of the overdue payables;(viii) successfully engaging new CDMO services customers for its services; and (ix) successfully implementing initiatives to align its resources more effectively and efficiently and optimizing the task force.

Should the Group fail to achieve a combination of the above-mentioned plans and measures, it might not be appropriate for the directors of the Company to prepare the condensed consolidated financial statements on a going concern basis. Potential adjustments would have to be made to the reported condensed consolidated financial statements including but not limited to reduce the carrying values of the Group's assets to their realisation amounts, to reclassify certain non-current liabilities to current liabilities with consideration of the contractual term, or to recognize any further liabilities which might arise, where appropriate, for the six month period ended 30 June 2025 and/or previous periods. The effects of these adjustments have not been reflected in these condensed consolidated financial statements.

Notes to the Condensed Consolidated Financial Statements

FOR THE SIX MONTHS ENDED 30 JUNE 2025

2. 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 change accounting policies resulting from application of amendments to IFRS Accounting Standards, and application of an accounting policy which became relevant to the Group in the current interim period, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2025 are the same as those presented in the Group's annual consolidated financial statements for the year ended 31 December 2024.

Application of amendments to IFRS Accounting Standards

In the current interim period, the Group has applied the following amendments to an IFRS Accounting Standard issued by the IASB, for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2025 for the preparation of the Group's condensed consolidated financial statements:

Amendments to IAS 21	Lack of Exchangeability

The application of the amendments to an IFRS Accounting Standard 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.

Accounting Policy newly applied by the Group

Leases

Sale and leaseback transactions

The Group applies the requirements of IFRS 15 to assess whether sale and leaseback transaction constitutes a sale by the Group.

The Group as a seller-lessee

For a transfer that does not satisfy the requirements as a sale, the Group as a seller-lessee continues to recognise the assets and accounts for the transfer proceeds as borrowings within the scope of IFRS 9.

Notes to the Condensed Consolidated Financial Statements

FOR THE SIX MONTHS ENDED 30 JUNE 2025

3. REVENUE

Disaggregated revenue information:

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Types of goods or service		
CDMO services	**2,167**	4,564
Research and development services	**544**	–
Total	**2,711**	4,564
Timing of revenue recognition		
A point in time	**2,711**	4,564

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. As at 30 June 2025 and 31 December 2024, all the non-current assets are located in the PRC.

Notes to the Condensed Consolidated Financial Statements

FOR THE SIX MONTHS ENDED 30 JUNE 2025

4. SEGMENT INFORMATION *(Continued)*

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	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Customer A	**1,226**	N/A
Customer B	**373**	–
Customer C	**308**	N/A
Customer D	**–**	1,763
Customer E	**–**	607

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

5. OTHER INCOME

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Bank interest income	**992**	2,132
Government grants (Note)	**9,295**	7,438
Sale of raw materials	**1,079**	–
	11,366	9,570

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.

Notes to the Condensed Consolidated Financial Statements

FOR THE SIX MONTHS ENDED 30 JUNE 2025

6. OTHER GAINS AND LOSSES, NET

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Net foreign exchange (loss) gain	**(938)**	1,407
Others	**(254)**	(369)
	(1,192)	1,038

7. INCOME TAX CREDIT

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Current tax:		
PRC Enterprise Income Tax	**(3)**	–
Deferred tax	**125**	125
	122	125

Notes to the Condensed Consolidated Financial Statements

FOR THE SIX MONTHS ENDED 30 JUNE 2025

8. LOSS BEFORE TAX

Loss for the period has been arrived at after charging (crediting):

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Selling expenses (included in administrative and selling expenses)	**646**	877
Depreciation of property, plant and equipment	**22,913**	23,911
Amortization of intangible assets	**44**	74
Depreciation of right-of-use assets	**1,554**	2,853
	24,511	26,838
Capitalized in the ending balance of contract costs	**(951)**	(233)
Capitalized in the ending balance of construction in progress	**–**	(299)
	23,560	26,306
Auditors' remuneration	**1,562**	1,354
Directors' emoluments (Note)	**3,589**	2,743
Other staff costs:		
– salaries and other benefits	**24,872**	39,247
– retirement benefit scheme contributions	**12,980**	17,400
– share-based payments	**8,766**	11,075
– termination benefits	**720**	–
	50,927	70,465
Capitalized in the ending balance of contract costs	**(1,259)**	(1,058)
	49,668	69,407

Note: Mr. Xiaolu Weng resigned as an executive Director on 30 April 2024, and Dr. Yining Zhao resigned as chairman of the Board and non-executive Director on 7 June 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 2025

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	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Loss		
Loss for the period attributable to the owners of the Company for the purpose of calculating basic and diluted loss per share	**(109,785)**	(133,722)
Number of weighted average ordinary shares		
Weighted average number of ordinary shares for the purpose of calculating basic and diluted loss per share	**406,939,951**	405,633,640

For the six months ended 30 June 2025 and 2024, the number of treasury shares were excluded from the total number of shares of the Company for the computation of basic loss per share.

For the six months ended 30 June 2025 and 2024, 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 or vesting would result in a decrease in loss per share.

11. MOVEMENT IN PROPERTY, PLANT AND EQUIPMENT

During the current interim period, the Group paid nil (six months ended 30 June 2024: RMB1,566,000) 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.

To better manage the Group's capital structure and financing needs, the Group entered into sale and leaseback arrangements in relation to machinery leases during the current interim period. These legal transfer did not satisfy the requirements of IFRS 15 to be accounted for as a sale of the machinery. During the period ended 30 June 2025, the Group has raised RMB10,000,000 (2024: nil) borrowings in respect of such sale and leaseback arrangements.

Notes to the Condensed Consolidated Financial Statements

FOR THE SIX MONTHS ENDED 30 JUNE 2025

12. GOODWILL

	At 30 June 2025 RMB'000 (Unaudited)	At 31 December 2024 RMB'000 (Audited)
Carrying amount	**471,901**	471,901

Impairment assessment

During the current interim period, in view of the Group's initiatives to focus its resources and prioritize essential investments in research and development on its core products, the research and development spending have been deferred, management of the Group concluded there was impairment indication and conducted impairment assessment on goodwill.

Impairment review on the goodwill of the Group has been conducted by management of the Company with reference to a report from Anderson Management Consulting (Shanghai) Co., Ltd., which is an independent qualified professional valuer. For the purpose of impairment review, the recoverable amount of the group of cash-generating units is determined based on value-in-use calculations.

With the assistance of an external appraiser, management determined the recoverable amount of the goodwill based on the following approach and the key assumptions:

- The cash flow projections are made based on financial budgets prepared by management till year 2040 based on the timing of clinical development and regulatory approval of relevant products. Cash flows beyond year 2040 are extrapolated using the estimated terminal growth rate at 2.0%. The management considers the length of forecast period is appropriate because it generally takes longer for a biopharma company to reach a perpetual growth mode, compared to companies in other industries, especially when the related products are still under clinical trial. Hence, the management believes that a forecast period for the cash generating units longer than five years is justifiable and consistent with industry practice;
- The expected market penetration rate was based on the expected selling conditions considering the features of marketing and technology development;
- The discount rate used is pre-tax and reflect specific risks relating to the relevant products that would be considered by market participants; and
- The expected success rate of commercialization by reference to practices of pharmaceutical industries, development of technologies and related regulations from administrations.

Notes to the Condensed Consolidated Financial Statements

FOR THE SIX MONTHS ENDED 30 JUNE 2025

12. GOODWILL *(Continued)*

Impairment assessment (Continued)

The key parameters used for value-in-use calculations are as follows:

	At 30 June 2025
Pre-tax discount rate	**17.5%**
Expected annual growth rates till 2040 (Note)	**– 0.5%-278.2%**
Expected market penetration rate	**0.48%-20.4%**
Expected success rate of commercialization	**33.0%-38.0%**

Note: The compound growth rates calculated based on the expected annual growth rates till 2040 were 25% as at 30 June 2025.

The revenue growth rate for the forecast period and budgeted gross margin were determined by the management based on past performance and its expectation for market and product development. The terminal growth rate used does not exceed the industry growth forecast for the market in which the Group operates.

Based on the result of the goodwill impairment testing, the estimated recoverable amount of the group of cash-generating units exceeded its carrying amount as at 30 June 2025. Thus, no impairment is recognised.

Sensitivity

The Group performs the sensitivity test by increasing 1% of discount rate or decreasing 1% of revenue compound growth rate, which are the key assumptions determine the recoverable amount of the goodwill, with all other variables held constant. The impacts on the amount by which the goodwill's recoverable amount above its carrying amount (headroom) are as below:

	At 30 June 2025 RMB'000
Headroom	**766,111**
Impact by increasing discount rate	**(70,242)**
Impact by decreasing revenue compound growth rate	**(47,168)**

Considering there was sufficient headroom based on the assessment, the management believes that a reasonably possible change in any of the key assumptions would not cause the aggregate carrying amount of the cash-generating unit to exceed its recoverable amount.

Notes to the Condensed Consolidated Financial Statements

FOR THE SIX MONTHS ENDED 30 JUNE 2025

13. INTANGIBLE ASSETS

	At 30 June 2025 RMB'000 (Unaudited)	At 31 December 2024 RMB'000 (Audited)
Software	**275**	319
In-licenses	**95,433**	95,433
Total	**95,708**	95,752

Impairment assessment on intangible assets

During the current interim period, in view of the Group's initiatives to focus its resources and prioritize essential investments in research and development on its core products, the research and development spending have been deferred, management of the Group concluded there was impairment indication and conducted impairment assessment on intangible assets.

Intangible assets not yet ready for use are tested based on the recoverable amount of the cash-generating unit to which the intangible asset is related. The appropriate cash-generating unit is at the product level. The impairment test was performed for the drug by engaging an independent qualified professional valuer to estimate value in use as the recoverable amount of the drug. The value in use is estimated using discount cash flow approach.

With the assistance of Anderson Management Consulting (Shanghai) Co., Ltd., which is an external appraiser, management determined the recoverable amount of the intangible assets based on the following approach and the key assumptions:

- The cash flow projections are made based on financial budgets prepared by management till year 2039 based on the timing of clinical development and regulatory approval. The intangible asset will generate cash inflows starting from year 2031, commercial ramp up to reach expected peak revenue potential till year 2039, and up to the end of the exclusivity for the product. The management considers the length forecast period is appropriate because generally takes longer for a biopharma company to generate positive cash flows, compared to companies in other industries, especially when the related products are under clinical trial. Hence, the management believes that a forecast period for the cash-generating unit longer than five years is justifiable and consistent with industry practice;
- The expected market penetration rate was based on the expected selling conditions considering the features of marketing and technology development;
- The discount rate used is pre-tax and reflect specific risks relating to the relevant products that would be considered by market participants; and
- The expected success rate of commercialization by reference to practices of pharmaceutical industries, development of technologies and related regulations from administrations.

Notes to the Condensed Consolidated Financial Statements

FOR THE SIX MONTHS ENDED 30 JUNE 2025

13. INTANGIBLE ASSETS *(Continued)*

Impairment assessment on intangible assets (Continued)

The key assumptions used for value in use calculation as at the end of the reporting period are as follows:

	As at 30 June 2025
Pre-tax discount rate	**18.0%**
Expected annual growth rates till 2039 (Note)	**1.4%-174.6%**
Expected market penetration rate	**1.5%-9.0%**
Expected success rate of commercialization	**38%**

Note: The compound growth rates calculated based on the expected annual growth rates from 2031 to 2039 were 28% as at the end of the reporting period.

Based on the result of impairment assessment, there was no impairment as at 30 June 2025.

Sensitivity

The Company performed sensitivity test by increasing 1% of discount rate or decreasing of 1% revenue compound growth rate, which are the key assumptions determine the recoverable amount of the intangible asset, with all other variables held constant. The impacts on the amount by which the intangible asset's recoverable amount above its carrying amount (headroom) are as below:

	As at 30 June 2025 RMB'000
Headroom	**32,248**
Impact by increasing discount rate	**(5,614)**
Impact by decreasing revenue compound growth rate	**(3,529)**

Considering there was sufficient headroom based on the assessment, the management believe that a reasonably possible change in any of the key assumptions would not cause the aggregate carrying amount of the cash-generating unit to exceed its recoverable amount.

Notes to the Condensed Consolidated Financial Statements

FOR THE SIX MONTHS ENDED 30 JUNE 2025

14. TRADE AND OTHER RECEIVABLES

Details of trade and other receivables are as follows:

	At 30 June 2025 RMB'000 (Unaudited)	At 31 December 2024 RMB'000 (Audited)
Trade receivables	**31,704**	31,376
Less: Allowance for credit losses	**(22,977)**	(13,031)
Trade receivables, net of allowance for credit losses	**8,727**	18,345
Interest receivables	**4,771**	3,949
Prepayments for:		
Research and development services	**4,241**	4,570
Professional services	**710**	774
Rental fee	**854**	850
Purchase of raw materials	**289**	1,128
Others	**392**	206
	6,486	7,528
Other receivables		
Refundable rental deposits	**542**	1,419
Others	**484**	595
	1,026	2,014
Less: Allowance for credit losses	**(275)**	(275)
Other receivables, net of allowance for credit losses	**751**	1,739
Total	**20,735**	31,561
Analyzed as:		
Non-current	**424**	454
Current	**20,311**	31,107
	20,735	31,561

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 2025

14. 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 2025 RMB'000 (Unaudited)	At 31 December 2024 RMB'000 (Audited)
Within 30 days	**330**	621
31 – 60 days	**–**	223
61 – 90 days	**53**	186
91 – 120 days	**823**	32
121 – 365 days	**294**	212
Above 365 days	**7,227**	17,071
	8,727	18,345

15. CONTRACT COSTS

	At 30 June 2025 RMB'000 (Unaudited)	At 31 December 2024 RMB'000 (Audited)
Costs to fulfill contracts	**3,029**	2,132

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 2025 was RMB1,920,000 (unaudited) (six months ended 30 June 2024: RMB3,040,000 (unaudited)), respectively. There was impairment of RMB10,155,000 in relation to the opening balance of capitalized costs and no impairment in relation to the cost capitalized during the six months ended 30 June 2025.

Notes to the Condensed Consolidated Financial Statements

FOR THE SIX MONTHS ENDED 30 JUNE 2025

16. TRADE AND OTHER PAYABLES

	At 30 June 2025 RMB'000 (Unaudited)	At 31 December 2024 RMB'000 (Audited)
Trade payables	**66,863**	83,143
Accrued research and development expenses	**14,892**	11,558
Other payables:		
– Purchase of property, plant and equipment	**7,427**	10,698
– Legal and professional fee	**1,909**	2,149
– Others	**221**	691
Interest payables	**142**	187
Other tax payables	**657**	1,418
Accrued staff costs and benefits	**4,176**	4,085
	96,287	113,929

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 2025 RMB'000 (Unaudited)	At 31 December 2024 RMB'000 (Audited)
0 – 30 days	**13,374**	9,699
31 – 60 days	**795**	988
61 – 90 days	**1,022**	1,106
91 – 120 days	**815**	1,273
121 – 365 days	**23,933**	34,267
Over 365 days	**26,924**	35,810
	66,863	83,143

Notes to the Condensed Consolidated Financial Statements

FOR THE SIX MONTHS ENDED 30 JUNE 2025

17. SHORT-TERM BORROWINGS/LONG-TERM BORROWINGS

During the current interim period, the Group obtained new loans amounting to RMB157,980,000 (six months ended 30 June 2024: RMB116,500,000) and repaid RMB197,174,000 (six months ended 30 June 2024: RMB168,500,000). The loans carry interest in the fixed and variable market rates and range from 2.90% to 3.80% and are repayable in instalments over periods range from 1 month to 16 months. The proceeds were mainly used for working capital purposes.

18. DEFERRED INCOME

	At 30 June 2025 RMB'000 (Unaudited)	At 31 December 2024 RMB'000 (Audited)
Government grants		
Conditional (Note i)	**50,700**	50,700
Assets-related grants (Note ii)	**4,000**	8,000
	54,700	58,700
Less: Current portion	**(4,400)**	(8,400)
Non-current portion	**50,300**	50,300

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 assets-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 2025

19. SHARE CAPITAL

	Number of ordinary shares	Amount US$'000
Ordinary shares		
Ordinary shares of US$0.0001 each		
Authorised		
At 1 January 2024 (Audited), 30 June 2024 (Unaudited), 1 January 2025 (Audited) and 30 June 2025 (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 2025 (Audited)	436,432,445	44	284
Issuance of ordinary shares in relation to exercise of share options	49,500	–*	–*
Issuance of shares hold on trust (Note ii)	900,000	–*	1
At 30 June 2025 (Unaudited)	437,381,945	44	285

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

Notes to the Condensed Consolidated Financial Statements

FOR THE SIX MONTHS ENDED 30 JUNE 2025

19. SHARE CAPITAL *(Continued)*

The details of the treasury shares are set out as below:

	Number of shares	Amount US$'000	Equivalent amount of ordinary shares RMB'000
At 1 January 2025 (Audited)	30,429,134	334	2,371
Shares repurchased (Note i)	166,500	13	93
Vesting of restricted share units	(4,203,876)	–*	(3)
Issuance of shares hold on trust (Note ii)	900,000	–*	1
At 30 June 2025 (Unaudited)	27,291,758	347	2,462

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

Notes:

i During the six months ended 30 June 2025, the Company repurchased 166,500 (six months ended 30 June 2024: 2,142,500) shares, at average price of RMB0.56 (six months ended 30 June 2024: RMB1.53), totalling RMB93,000 (six months ended 30 June 2024: RMB3,283,000).

The above shares were not cancelled and remained as treasury shares at the end of the reporting period.

ii On 31 March 2025, the Company issued 900,000 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 2025

20. 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 2025 (Audited)	4,950	705	10,724	0.50
Forfeited during the period	(1,496)	–	(5)	–*
Exercised/vested during the period	(375)	–	(161)	0.01
At 30 June 2025 (Unaudited)	3,079	705	10,558	0.57

* Amount is less than US$0.01.

The weighted average closing price of the Company's shares immediately before the dates on which the options were exercised was HKD1.73.

Notes to the Condensed Consolidated Financial Statements

FOR THE SIX MONTHS ENDED 30 JUNE 2025

20. 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. The Post-IPO Share Award Scheme will expire on 28 September 2031.

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	Consultant	Employees	Weighted average exercise price
	'000	'000	'000	US$
At 1 January 2025 (Audited)	24,474	–	8,524	0.22
Granted during the period	90	2,000	676	0.14
Forfeited during the period	(4,156)	–	(123)	0.02
Exercised/vested during the period	(567)	–	(3,150)	–*
At 30 June 2025 (unaudited)	19,841	2,000	5,927	0.28

* Amount is less than US$0.01.

In the current interim period, restricted share units were granted on 2 April 2025 and 25 June 2025. The fair values of the restricted share units determined at the date of grant were from HKD1.52 to HKD1.48. The closing price of the Company's shares immediately before 2 April 2025 and 25 June 2025, the dates of grant, was HKD1.63 and HKD1.54.

In the current interim period, share options were granted on 25 June 2025. The fair values of the options determined at the date of grant were from HKD0.76 to HKD1.06. The closing price of the Company's shares immediately before 25 June 2025, the date of grant, was HKD1.54.

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

Notes to the Condensed Consolidated Financial Statements

FOR THE SIX MONTHS ENDED 30 JUNE 2025

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

b) Post-IPO Share Award Scheme (Continued)

In the current interim period, 2,766,000 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-US$1.480
Expected life	10 years
Expected volatility	75.04%
Expected dividend yield	0%
Risk-free interest rate	4.20%

The fair values of the new granted restricted share units and share options range from US$0.0974 to US$0.1933.

Back-solve method was used to determine the underlying equity fair value of the Company and binomial option pricing model was used to determine the fair value of the restricted share units/share options granted. The variables and assumptions used in computing the fair value of the restricted share units/share options are based on the directors' best estimate. Changes in variables and assumptions may result in changes in the fair value of the restricted share units/share options.

At the end of each interim period, the Group revises its estimates of the number of restricted share units/share options that are expected to vest ultimately. The impact of the revision of the estimates, if any, is recognised in profit and loss, with a corresponding adjustment to the share-based payments reserve.

As at 30 June 2025, a total of 29,502,000 restricted share units/share options are exercisable (31 December 2024: 29,310,000 restricted share units/share options).

The Group recognized the total expense of RMB9,339,000 (unaudited) and RMB12,824,000 (unaudited) for the six months ended 30 June 2025 and 2024, respectively, in relation to restricted share units/share options granted by the Company.

Notes to the Condensed Consolidated Financial Statements

FOR THE SIX MONTHS ENDED 30 JUNE 2025

21. RELATED PARTY TRANSACTIONS

The Group has the following balance with related parties:

Relationship	Nature of balance	At 30 June 2025 RMB'000 (Unaudited)	At 31 December 2024 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	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Short term benefits	**4,868**	5,250
Post-employment benefits	**537**	749
Share-based payments	**2,154**	4,267
Discretionary bonus	**–**	18
	7,559	10,284

22. CAPITAL COMMITMENT

	At 30 June 2025 RMB'000 (Unaudited)	At 31 December 2024 RMB'000 (Audited)
Capital expenditure contracted for but not provided in the condensed consolidated financial statements – Property, plant and equipment	**5,002**	6,217

Definitions

"associate(s)"	has the meaning ascribed thereto under the Listing Rules
"Articles of Association"	the memorandum and articles of association of the Company adopted on June 18, 2021 with effect from the Listing Date, as amended from time to time
"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

Definitions

"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
"Dr. Qian"	Dr. Xueming Qian, an executive Director, Chairman of the Board 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

Definitions

"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
"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)

Definitions

"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, 2025
"RMB" or "Renminbi"	Renminbi, the lawful currency of PRC
"RSU(s)"	restricted share unit(s) granted pursuant to the Pre-IPO Equity Incentive Plan
"SFO"	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"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
"Share(s)"	ordinary share(s) in the share capital of our Company, currently with a par value of US$0.0001 each
"Shareholder(s)"	holder(s) of the Share(s)

Definitions

"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