

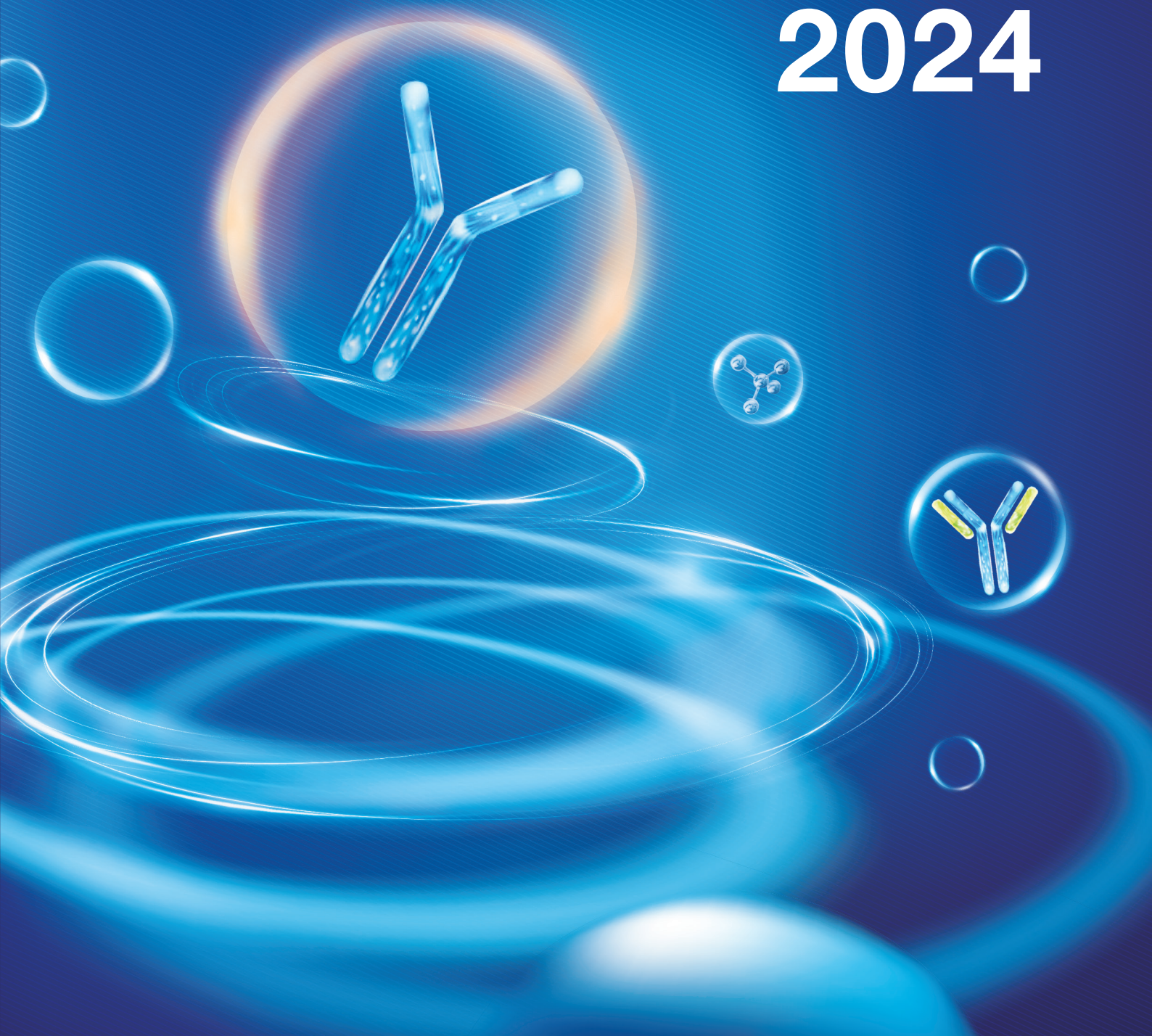
**HARBOUR**  
BIOMED

**和 鉑 醫 藥 控 股 有 限 公 司**  
**HBM HOLDINGS LIMITED**

( incorporated in the Cayman Islands with limited liability )

Stock Code : 02142

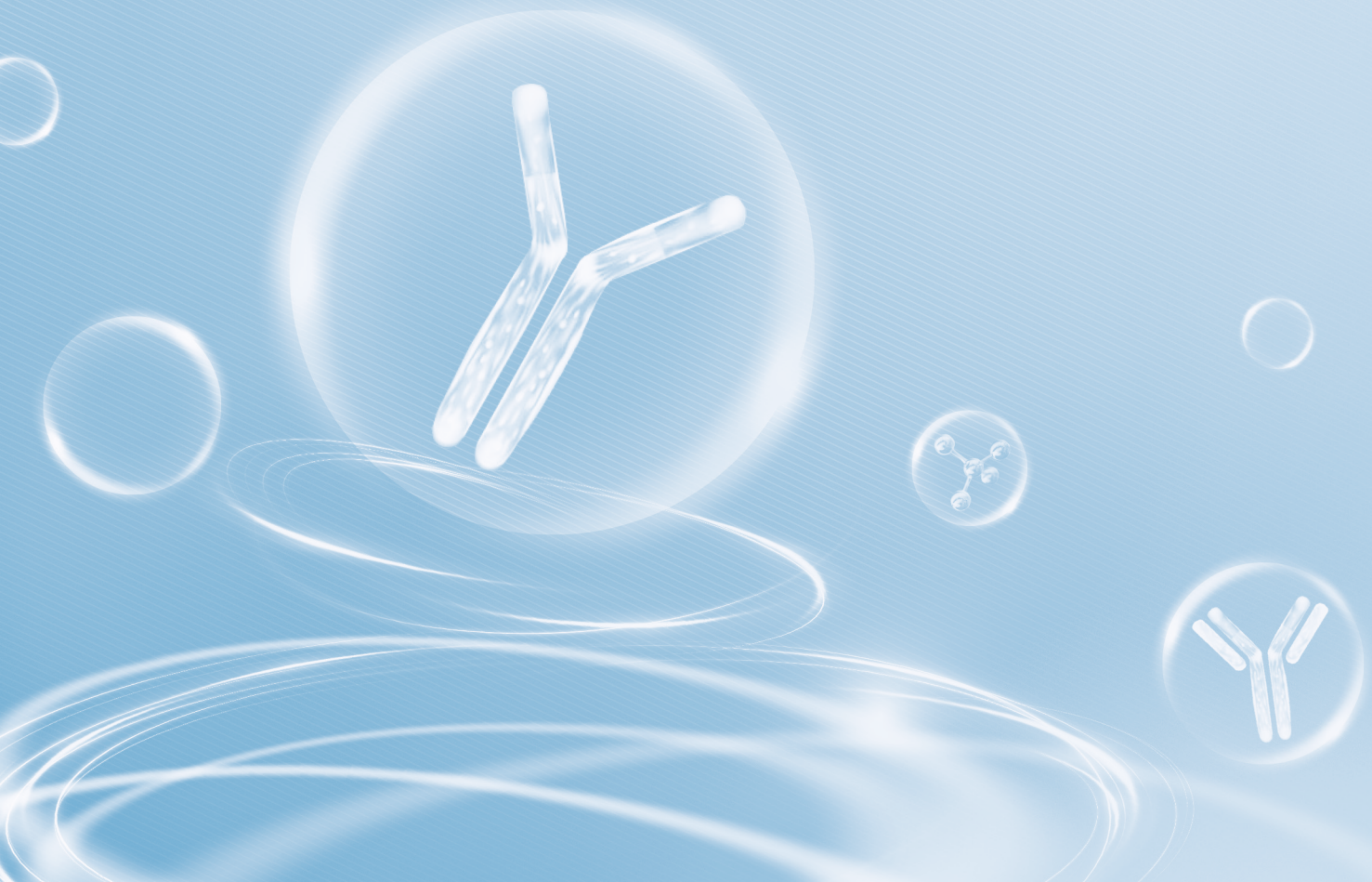
INTERIM REPORT  
**2024**





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# Corporate Information

## BOARD OF DIRECTORS

### EXECUTIVE DIRECTORS

Dr. Jingsong Wang (*Chief Executive Officer*)  
(*Chairperson*)  
Dr. Yiping Rong

### NON-EXECUTIVE DIRECTOR

Ms. Weiwei Chen

### INDEPENDENT NON-EXECUTIVE DIRECTORS

Dr. Robert Irwin Kamen  
Dr. Xiaoping Ye  
Mr. Ka Chi Yau (*resigned with effect from*  
*21 June 2024*)  
Dr. Albert R. Collinson

## AUDIT COMMITTEE

Mr. Ka Chi Yau (*resigned with effect from*  
*21 June 2024*)  
Dr. Xiaoping Ye (*Chairperson, redesignated*  
*with effect from 21 June 2024*)  
Ms. Weiwei Chen  
Dr. Albert R. Collinson (*appointed with effect from*  
*21 June 2024*)

## REMUNERATION COMMITTEE

Dr. Albert R. Collinson (*Chairperson, appointed with*  
*effect from 21 June 2024*)  
Dr. Xiaoping Ye  
Dr. Jingsong Wang  
Mr. Ka Chi Yau (*resigned with effect from*  
*21 June 2024*)

## NOMINATION COMMITTEE

Dr. Jingsong Wang (*Chairperson*)  
Dr. Robert Irwin Kamen  
Dr. Xiaoping Ye

## AUTHORIZED REPRESENTATIVES

Dr. Jingsong Wang  
Dr. Yiping Rong

## COMPANY SECRETARY

Mr. Wing Yat Christopher Lui

## REGISTERED OFFICE IN THE CAYMAN ISLANDS

P.O. Box 472, Harbour Place, 2nd Floor  
103 South Church Street, George Town  
Grand Cayman KY1-1106  
Cayman Islands

## PRINCIPAL PLACE OF BUSINESS IN CHINA

Suite 202, Building A3,  
218 Xinghu Street,  
Suzhou Industrial Park, Suzhou, China

## PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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

## PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

International Corporation Services Ltd.  
P.O. Box 472, Harbour Place, 2nd Floor  
103 South Church Street, George Town  
Grand Cayman KY1-1106, Cayman Islands

## HONG KONG SHARE REGISTRAR

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

## AUDITOR

Ernst & Young  
Certified Public Accountants  
Registered Public Interest Entity Auditor  
27/F, One Taikoo Place, 979 King's Road  
Quarry Bay, Hong Kong

## Corporate Information

### LEGAL ADVISER

*As to Hong Kong law and United States law*  
Skadden, Arps, Slate, Meagher & Flom and affiliates

### PRINCIPAL BANKS

China Merchants Bank, Shenzhen Branch  
23/F, No. 2016 Shennan Boulevard, Futian District  
Shenzhen, China

### COMPANY WEBSITE

[www.harbourbiomed.com](http://www.harbourbiomed.com)

### STOCK CODE

02142



# Financial Highlights

|  | For the six months ended 30 June                            |   |
|--|---|---|
|  | 2024<br>US\$ in thousand<br>(Unaudited)                     | 2023<br>US\$ in thousand<br>(Unaudited)                         |
| Revenue                                      | 23,701  | 40,996  |
| Cost of sales                                | (1,185)   | (23)  |
| Other income and gains                       | 3,488   | 3,226   |
| Selling expense                              | (1,709)   | –   |
| Research and development costs               | (13,095)  | (28,378)  |
| Administrative expenses                      | (7,917)   | (8,576)   |
| Finance costs                                | (1,559)   | (2,347)   |
| Other expenses                               | –   | (1,995)   |
| Income tax (expense)/benefits                | (327)   | 11  |
| Profit for the period                        | 1,397   | 2,914   |
| Earnings per share (Basic and diluted) (USD) | 0.00  | 0.00  |
|  | As of<br>30 June<br>2024<br>US\$ in thousand<br>(Unaudited) | As of<br>31 December<br>2023<br>US\$ in thousand<br>(Unaudited) |
| Cash and cash equivalents                    | 183,038   | 140,324   |
| Total assets                                 | 219,706   | 228,480   |
| Total liabilities                            | 96,899  | 108,851   |
| Total equity                                 | 122,807   | 119,629   |



# Business Highlights

We have made significant progresses in every aspect during the Reporting Period:

## PROGRESS ON HARBOUR THERAPEUTICS

### 1. **BATOCLIMAB (HBM9161)**

The BLA for the treatment of gMG was accepted by the NMPA in July 2024.

### 2. **PORUSTOBART (HBM4003)**

#### **Combination with PD-1 for Colorectal Carcinoma (“CRC”)**

Patient enrolment initiated in January 2024.

### 3. **HBM9378**

Completed Phase I trial clinical study report in March 2024.

### 4. **HBM9027**

- a. Obtained the Investigational New Drug (“**IND**”) clearance to commence Phase I trial for solid tumors from U.S. FDA in January 2024.
- b. Obtained the IND clearance to commence Phase I trial for solid tumors from NMPA in July 2024.



## Business Highlights

### BUSINESS DEVELOPMENTS

#### 1. COLLABORATIONS ON ASSETS

- a. In December 2023, we entered into a license agreement with Seagen Inc. for the global clinical development and commercialization HBM9033, a novel mesothelin (“**MSLN**”) antibody drug conjugate (“**ADC**”) generated from the Harbour Mice® Platform of the Company. In the first half of 2024, a Phase I trial had been registered by Seagen Inc. to evaluate the safety, tolerability, pharmacokinetics, and antitumor activity in subjects with advanced solid tumors.
- b. In May 2024, we entered into a global license and option agreement with AstraZeneca (“**AZN**”), pursuant to which the license for preclinical monoclonal antibodies that will be used to create targeted therapies in oncology was granted to AZN with an upfront payment of US\$19 million upon completion of the transaction, US\$10 million near-term milestone payment, and up to US\$575 million in milestone payments and tiered royalties on net sales.

#### 2. PLATFORM-BASED COLLABORATIONS

- a. In February 2024, Nona Biosciences entered into an ADC discovery collaboration agreement with Boostimmune, Inc. (“**Boostimmune**”), a biotechnology company dedicated to developing innovative, first-in-class antibody-based therapies to address unmet needs in oncology.
- b. In July 2024, Nona Biosciences entered into a collaboration agreement with Alaya.Bio, a biotechnology company developing a novel polymeric delivery platform, to precisely target and reprogram cells *in situ* and thus to significantly simplify the way CAR-T cell therapies are being developed, manufactured and administered.
- c. The Group is also developing and exploring other currently unannounced platform-based collaborations.

For details of any of the foregoing, please refer to the rest of this interim report and, where applicable, the Company’s prior press releases and announcements.



# Management Discussion and Analysis

## OVERVIEW

### OUR VISION

Our vision is to deliver “Healthy life • Breakthrough Medicines” in immune oncology and immunological diseases to address current patients’ unmet medical needs.

### CORPORATE PROFILE

Incorporated in July 2016, we are a clinical-stage biopharmaceutical company committed to the discovery, development and commercialization of novel antibody therapeutics in immune-oncology and immunology.

To realize our vision, we have been partnering with global academic institutions, biotechnology and pharmaceutical companies by leveraging our platforms. We have established a strong track record of portfolio comprising strategically selected co-development clinical assets and internal innovative next-generation projects to address unmet patient’s need. We also provide technology licensing for our proprietary Harbour antibody platform to accelerate the industry innovation on antibody therapeutics.

Since 2022, we have established two sub-brands, Harbour Therapeutics, focusing on pipeline development, products collaboration and commercialization, and Nona Biosciences, a global biotechnology company providing an Idea-to-IND solution for partners worldwide.

### ABOUT HARBOUR THERAPEUTICS

Harbour Therapeutics is committed to the development and commercialization of novel antibody therapeutics focusing on oncology and immunology. We have built a robust portfolio and differentiated pipeline by leveraging our unique antibody technology platforms as well as our biological understanding and industry experience. Our portfolio also consists of strategically selected clinical assets with near-term revenue potential targeting diseases with high unmet needs.

### ABOUT NONA BIOSCIENCES

Our proprietary antibody technology platforms, Harbour Mice<sup>®</sup>, generate fully human monoclonal antibodies in the classical two heavy and two light chain (H2L2) format, as well as heavy chain only (HCAb) format. Building upon our HCAb antibodies, the HCAb-based immune cell engagers (HBICE<sup>®</sup>) are capable of delivering tumor killing effects unachievable by combination therapies. Integrated with our single B cell cloning platform, our antibody discovery engine is highly productive and efficient in driving the innovation and sustainable growth of the Company.

With a unique leading edge and technological advantage of our technology platform, we established Nona Biosciences in 2022 to better empower the innovators in the industry and enable our collaborators from I to I<sup>TM</sup> (Idea-to-IND). Nona Biosciences is a global biotechnology company with an experienced antibody therapeutics discovery team, committed to providing a total solution for partners worldwide, from academies, biotechnology startups to large biopharmaceutical companies. The integrated antibody discovery services range from antigen preparation, animal immunization, single B cell screening, to antibody lead generation and engineering, developability assessment and pharmacological evaluation, leveraging the advantages of Harbour Mice<sup>®</sup> Platforms.

We believe our flexible business models, based on both Harbour Therapeutics and Nona Biosciences, will maximize our platform value by leveraging the complementary advantages of the Group and our collaborators.



## Management Discussion and Analysis

### PORTFOLIO:

We have over 10 drug candidates focusing on oncology and immunology diseases in pre-clinical to late clinical stages. The following table summarizes our product pipeline and the development status of each drug candidate in the areas indicated in the chart.

| Project   | Target               | Indication            | Commercial Rights                               | Status                                  |              |     |         |          |           | Partner              |
|---|----------------------|-----------------------|---|---|--------------|-----|---------|----------|-----------|----------------------|
|   |                      |                       |   | Discovery                               | Pre-Clinical | IND | Phase I | Phase II | Phase III |                      |
| mAb for next-gen IO therapeutics                    |                      |                       |   |   |              |     |         |          |           |                      |
| Porustobart<br>HBM4003                              | CTLA-4 <sup>1</sup>  | Melanoma              | Global  | Combo with PD-1 Ph 1b/2 → Ph3 Preparing |              |     |         |          |           |                      |
|   |                      | CRC                   |   | Combo with PD-1 Ph 1b/2                 |              |     |         |          |           |                      |
|   |                      | HCC                   |   | Combo with PD-1 Ph 1b/2                 |              |     |         |          |           |                      |
|   |                      | NEN                   |   | Combo with PD-1 Ph 1b/2                 |              |     |         |          |           |                      |
| HBM1020   | B7H7/HHLA2           | Solid Tumors          | Global  |   |              |     |         |          |           |                      |
| HBM1022   | CCR8                 | Solid Tumors          | Global  | US IND clearance                        |              |     |         |          |           |                      |
| HBM9014   | LIFR                 | Solid Tumors          | Global  |   |              |     |         |          |           | Yinuoke              |
| Immune cell Engager for Oncology                    |                      |                       |   |   |              |     |         |          |           |                      |
| HBM7022   | CLDN18.2×CD3         | Solid Tumors          | Global<br>Out-license                           |   |              |     |         |          |           | AstraZeneca          |
| HBM7008   | B7H4×4-1BB           | Solid Tumors          | Global  |   |              |     |         |          |           |                      |
| HBM7020   | BCMA×CD3             | Hematologic carcinoma | Ex-China  | CN IND clearance                        |              |     |         |          |           | 華藥生物<br>HUALIANG BIO |
| HBM9027   | PD-L1×CD40           | Solid Tumors          | Global  | US/CN IND clearance                     |              |     |         |          |           |                      |
| HBM7004   | B7H4×CD3             | Solid Tumors          | Global  |   |              |     |         |          |           |                      |
| XDC Platform  |                      |                       |   |   |              |     |         |          |           |                      |
| HBM9033   | MSLN ADC             | Solid Tumors          | Global<br>Out-license                           |   |              |     |         |          |           | Pfizer               |
| ADC Program   | Undisclosed          | Solid Tumors          | Global  |   |              |     |         |          |           |                      |
| RDC Program   | Undisclosed          | Solid Tumors          | Global  |   |              |     |         |          |           |                      |
| FcRn-targeted therapies for Autoimmune Disease      |                      |                       |   |   |              |     |         |          |           |                      |
| Batoclimab<br>HBM9161                               | FcRn                 | Myasthenia Gravis     | Great China Rights<br>Out-licensed <sup>2</sup> | BLA                                     |              |     |         |          |           | CSPC                 |
| Type 2 Pathways for Inflammatory & Immunology       |                      |                       |   |   |              |     |         |          |           |                      |
| HBM9378   | TSLP                 | Asthma                | Global  | Ph1 Completed → Ph2 Preparing           |              |     |         |          |           | AMPC                 |
|   |                      | COPD                  | Global  | IND Enabling                            |              |     |         |          |           | AMPC                 |
| BsAb Programs                                       | TSLP×<br>Undisclosed | Inflammation disease  | Global  |   |              |     |         |          |           | AMPC                 |
| Pathogenic B Cell Depletion for Autoimmune Diseases |                      |                       |   |   |              |     |         |          |           |                      |
| HBM7020   | BCMA×CD3             | Autoimmune Diseases   | Ex-China  | IND Enabling                            |              |     |         |          |           | 華藥生物<br>HUALIANG BIO |
| TCE Program   | CD19×CD3             | Autoimmune Diseases   | Global  |   |              |     |         |          |           |                      |
| BsAb Program  | Undisclosed          | Autoimmune Diseases   | Global  |   |              |     |         |          |           |                      |
| TsAb Program  | Undisclosed          | Autoimmune Diseases   | Global  |   |              |     |         |          |           |                      |

1. HBM4003 is a next-gen anti-CTLA-4 antibody with enhanced ADCC for Treg depletion

2. HBM in-license the Greater China Rights of HBM9161 from HanAll in 2017, and the rights is out-license to CSPC in Oct 2022.

# Management Discussion and Analysis

## BUSINESS REVIEW

### ROBUST PORTFOLIO AND DIFFERENTIATED PIPELINE

Harbour Therapeutics had a robust and diversified pipeline and we continued to expand our business collaborations with leading academic institutions and selected industry partners focusing on innovation and efficiency across the world. The co-development and collaboration with industry partners not only reflects the industry recognition, but also helps the Company to leverage resources and enhance efficiency.

### BATOCLIMAB (HBM9161)

Batoclimab is designed as a fully human monoclonal antibody that selectively binds to and inhibits the neonatal fragment crystallizable receptor (“FcRn”). FcRn plays a pivotal role in preventing the degradation of IgG antibodies. High levels of pathogenic IgG antibodies drive many autoimmune diseases. As a novel fully human anti-FcRn monoclonal antibody, Batoclimab has the potential to be a breakthrough treatment option for a wide range of autoimmune disease. On 10 October 2022, we entered into a license agreement with CSPC NBP Pharmaceutical Co. Ltd. (“NBP Pharma”, a wholly-owned subsidiary of CSPC Pharmaceutical Group Limited), pursuant to which we granted NBP Pharma an exclusive sublicensable license under the licensed technology to develop, manufacture and commercialize batoclimab in Greater China (including Hong Kong, Macau and Taiwan).

In early 2023, we completed the treatment of patients and announced the positive topline results of the phase III clinical trial of batoclimab for the treatment of gMG in March, which is also the first positive pivotal trial outcome for batoclimab worldwide. This marks a major milestone as it is the Company’s first product to complete phase III clinical trial and be poised for commercialization to benefit the gMG patients. We also initiated Open-Label extension clinical trial for gMG in March 2023.

In June 2023, NMPA has accepted the BLA of batoclimab (HBM9161) for the treatment of gMG. This is also the first BLA accepted by NMPA since Harbour BioMed’s establishment.

In December 2023, the Company voluntarily planned to include additional long-term safety data and we re-submitted the BLA for batoclimab in June 2024.

In July 2024, NMPA accepted the BLA of batoclimab (HBM9161) for the treatment of gMG.

According to the analysis on the Open-Label extension clinical trial up to November 2023, the data showed sustainable efficacy and safety of batoclimab in long-term disease management. We presented the clinical results on JAMA Neurology in March 2024. We believe that the collaboration with CSPC Group enables the Company to optimize the market potential and advance the clinical development of HBM9161.





## Management Discussion and Analysis

### PORUSTOBART (HBM4003)

HBM4003 is a next-generation, fully human anti-CTLA-4 antibody against cytotoxic T-lymphocyte-associated antigen-4 (CTLA-4), one of the major negative regulators of T cell responses. It is also our first internally developed molecule generated on our HCAB platform, which we have advanced from candidate selection to clinical stage within three years. HBM4003 is the first fully human heavy chain only anti CTLA-4 antibody entered into clinical development around the world in history, and has favourable properties compared with conventional anti-CTLA-4 antibodies in pre-clinical settings. Compared with conventional CTLA-4 antibody, HBM4003 has unique, favourable properties including significant Treg cell depletion and optimized pharmacokinetics for improved safety. While increasing the potential to selectively deplete intratumoral Treg cells via enhanced antibody-dependent cellular cytotoxicity (ADCC) strategy, we believe HBM4003 will be able to break the significant immune-suppressive barrier of anti-cancer immunotherapies in solid tumors. HBM4003 has great potential to overcome the efficacy and toxicity bottleneck of the current CTLA-4 therapy, and become a core product in cancer immunotherapy.

We have implemented the global development plan for multiple types of solid tumors with adaptive treatment designed for HBM4003. Positive data of efficacy and safety profile have been read out in the monotherapy trial targeting advanced solid tumor, and in trials of combination treatment with PD-1 inhibitor treating for melanoma, NEN and HCC.

In January 2024 we initiated patient enrolment for combination with PD-1 inhibitor in trials with advanced colorectal carcinoma.

### HBM7008

HBM7008 is a bispecific antibody targeting Tumor Associated Antigen (TAA) B7H4 and 4-1BB that not only displays high potency in the T cell co-stimulation and tumor growth inhibition, but also potentially translate to improved safety due to its strict dependency of TAA-mediated crosslinking T cell activation. HBM7008 is one of the fully human bispecific antibodies developed from the HBICE® Platform of the Company. It is the only bispecific antibody against these two targets in clinical stage globally. Its unique specificity on tumors and immune modulation activity makes it a promising therapeutics in PD-L1 negative or PD1/PD-L1 resistant patients. It also has the potential to avoid 4-1BB liver toxicity risk observed in other products with the benefit of its innovative biology mechanisms and bispecific design.

In February 2023, we entered into a license and collaboration agreement (the "**Cullinan Agreement**") with Cullinan Therapeutics, Inc. (formerly known as Cullinan Oncology, Inc., together with its affiliates, "**Cullinan**"), pursuant to which we granted Cullinan an exclusive sub-licensable license to exploit any product that is comprised of or contains the Company's bispecific antibody targeting B7H4x4-1BB (HBM7008) in the United States of America and its territories and possessions (including the District of Columbia and Puerto Rico).

In August 2024, the Company received a termination notice from Cullinan terminating the Cullinan Agreement (the "**Termination**") which will become effective on 3 November 2024, and the Company shall be under no obligation to return any monies received under the Cullinan Agreement prior to the Termination. The Company will regain the global right of HBM7008 and will continue to explore other development and potential commercialization opportunities.

During the Reporting Period, our partner had finished multiple dose levels in patients with advanced solid tumors.

## Management Discussion and Analysis

### HBM1020

HBM1020 is a first-in-class fully human monoclonal antibody generated from Harbour Mice® Platform targeting B7H7. As a newly discovered member of the B7 family, B7H7 expression is found non-overlapping with PD-L1 expression in multiple tumor types, potentially playing an important role for tumor cells to escape immune surveillance beside PD-L1. HBM1020 is the first product targeting B7H7 in clinical stage globally. With its excellent product design and target features, we believe that HBM1020 has great potential to address huge unmet medical needs on solid tumors treatment, especially in patients with low PD-L1 expression and patients with PD-(L)1 therapy resistant.

In May 2023, we initiated Phase I clinical trial in the U.S. We have completed multiple dose levels thereafter and we plan to present the latest progress of HBM1020 at the ESMO congress 2024.

### HBM9378

HBM9378 is a fully human monoclonal antibody against thymic stromal lymphopoietin (“**TSLP**”) generated from H2L2 platform. It inhibits the TSLP mediated signalling pathway by blocking the interaction between TSLP and TSLP receptor. TSLP plays important roles in DC cell maturation, T helper 2 (Th2) cell polarization and inflammation, particularly in both eosinophilic and non-eosinophilic inflammation asthma. HBM9378 has fully human sequences with less immunogenicity risk and better bioavailability compared to other TSLP target competitors. The long half-life optimization and outstanding biophysical properties support its favourable dosing and formulation advantages.

In collaboration with Sichuan Kelun-Biotech Biopharmaceutical Co., Ltd. (“**Kelun-Biotech**”). This collaboration of HBM9378 has entered into clinical development stage.

In February 2022, HBM9378 obtained the IND approval from NMPA, and initiated the Phase I trial in China. In October 2023 HBM9378 completed the Phase I clinical trial.

Initiation of Phase II clinical trial for severe asthma is ongoing and we are also preparing the IND application for the second indication chronic obstructive pulmonary disease (“**COPD**”).

### OTHER DEVELOPMENT PROJECTS

Engaged in the discovery and development of differentiated antibody therapeutics in immune-oncology and immunology disease areas, we are also exploring and developing multiple programs including novel and challenging antibody therapeutics in multiple disease areas:

- In the oncology field, apart from mAbs such as HBM1022 (CCR8), HBM9014 (a LIFR targeted mAb), we also generate bispecific antibodies from our HBICE® Platform with novel design and differentiated mechanism such as HBM7020 (BCMAxCD3), HBM9027 (PD-L1xCD40), HBM7004 (B7H4xCD3). In addition, utilizing our XDC platform, and leveraging the advantages of the Harbour Mice® Platform, we are exploring more modalities of therapy in oncology, such as HBM9033 (a MSLN targeted ADC) and other ADC/RDC programs in early stage.
- In the inflammatory and immunology field, the Company has built a robust preclinical pipeline, encompassing bispecific and multi-specific antibody programs in targeting Type 2 pathways and for other inflammatory and immunology conditions.



## Management Discussion and Analysis

Apart from the main products mentioned above, we also developed multiple programs and we aim to deliver at least one IND submission generated from our discovery engine each year.

### 1. HBM1022

HBM1022 is a monoclonal antibody generated from Harbour integrated G protein-coupled receptor (GPCR) antibody platform. The antibody can enhance anti-tumor immunity by depleting CCR8 positive regulatory T cells, activating effector T cells. HBM1022 presented cynomolgus cross-reactive and demonstrated its anti-tumor functional activities in preclinical studies.

CCR8 is a novel G protein-coupled receptor (GPCR) target on tumor-specific Treg cells. The GPCRs is essential in the immunoregulation, especially for immuno-oncology, where numerous chemokines work through GPCRs. It has been an extremely challenging target due to the structure complexity and low immunogenicity. CCR8 is expressed in tumor infiltrated Treg cells, and functionally involved in Treg cells migration and infiltration. Tumor resident CCR8 positive Treg have been shown to be a major driver for immunosuppression.

Generated from the Company's platform, HBM1022 is one of the few functional monoclonal antibodies that are cross-reactive to human and cynomolgus CCR8 with GPCR signaling modulation. With its unique characteristics, HBM1022 is expected to present therapeutic potentials in a variety of solid tumors with enriched CCR8-positive Tregs, including breast cancer, colon cancer, gastric cancer, non-small cell lung cancer and head and neck cancer.

In February 2023, HBM1022 obtained the IND approval from U.S. FDA to initiate Phase I trial in the U.S.. In 2024, we will continue to actively explore drug development strategies and seek collaboration opportunities.

### 2. HBM9014

HBM9014 is a first-in-class, fully human antibody targeting Leukemia Inhibitory Factor Receptor ("LIFR") for cancer treatment. It has been discovered using Harbour Mice® Platform. HBM9014 blocks multiple IL6 family cytokine pathways via LIFR to inhibit their function in promoting tumor progression, metastasis and chemo-resistance.

In preclinical studies, HBM9014 shows significant in vivo antitumor efficacy, and enhanced efficacy in combination with Cisplatin in multiple tumor models. HBM9014 also shows great tolerability in monkey toxicology study.

In 2024, we will continue to actively explore drug development strategies and seek collaboration opportunities.

### 3. HBM9027

HBM9027 is a novel PD-L1xCD40 bispecific antibody. Using our proprietary fully human HBICE® bispecific technology and Harbour Mice® Platform, we discovered a crosslinking dependent PD-L1xCD40 bispecific antibody to provide novel solutions for cancer immunotherapy from both efficacy and safety angles. The development of PD-L1xCD40 bispecific HBICE® further expands our bispecific immune cell engager into the cutting-edge DC/myeloid cell engager field and demonstrates HBICE® Platform's versatile geometry formats and plug-and-play advantages.

In January 2024, we obtained the IND clearance to commence Phase I trial for solid tumors from U.S, FDA, and in July 2024, we obtained the IND clearance to commence Phase I trial in China from NMPA.

## Management Discussion and Analysis

### 4. HBM7020

HBM7020 is a BCMAxCD3 bispecific antibody generated with our proprietary fully human HBICE<sup>®</sup> bispecific technology and Harbour Mice<sup>®</sup> Platform. HBM7020 can crosslink targeted cells and T cells by targeting BCMA on cell surface and CD3, and thus lead potent T cell activation and cell elimination. By using dual anti-BCMA binding sites for optimal cell targeting, and monovalent optimized CD3 activity to minimize CRS, HBM7020 demonstrated potent cytotoxicity with boarder applications in both immunological and oncology disease.

In August 2023, HBM7020 obtained the IND clearance to commence Phase I trial for cancer in China from NMPA.

In 2024, we had restructured our development strategy immunological diseases. Currently, we are in the process of preparing an IND application.

### 5. HBM7004

HBM7004 is a novel B7H4xCD3 bispecific antibody. Using our proprietary fully human HBICE<sup>®</sup> bispecific technology and Harbour Mice<sup>®</sup> Platform (H2L2&HCAb), we discovered a B7H4xCD3 bispecific antibody to provide novel solutions for cancer immunotherapy from both efficacy and safety angles. The development of B7H4xCD3 bispecific HBICE<sup>®</sup> further consolidates our bispecific immune cell engager platform and demonstrates HBICE<sup>®</sup> platform's versatile geometry formats and plug-and-play advantages.

In preclinical studies, HBM7004 demonstrated an intratumor B7H4 dependent T cell activation manner. In multiple animal models, HBM7004 showed strong anti-tumor efficacy, remarkable in vivo stability and reduced systemic toxicity. Also, in preclinical models, HBM7004 showed strong synergistic effect when combining with B7H4x4-1BB bispecific antibody at low Effector: Target cell ratio, indicating the encouraging therapeutic window.

In 2024, we continued the development in preclinical and advanced to near- IND stage.

## BUSINESS DEVELOPMENT OF NONA BIOSCIENCES

With our unique leading edge and technological advantage of our technology platform, we established Nona Biosciences in 2022 to better empower the innovators in the industry and enable our collaborators from I to I<sup>™</sup> (Idea to IND). Nona Biosciences is a global biotechnology company committed to providing a total solution for partners worldwide, from academies, biotech startups to biopharma giants.

We believe our flexible business models built around our proprietary technologies and our strong internal discovery capabilities will maximize our platform value by leveraging complementary advantages from the Company and our collaborators. To give full play to the value of our unique platform technologies, we continue to explore the expandability of platform technology application scenarios which generate impactful values to the Company. We have established partnerships with more than 50 industry pioneers and academic researchers to further expand our network of collaborations in China and globally.



## Management Discussion and Analysis

### 1. Global license and option agreement with AZN

In May 2024, Nona Biosciences entered into a license agreement with AZN for preclinical monoclonal antibodies that will be used to create targeted therapies in oncology. Under the terms of the agreement, Nona Biosciences shall receive US\$19 million upon completion of the transaction. Nona Biosciences is eligible to receive an additional US\$10 million in potential near-term milestone payments and up to US\$575 million upon achieving specified development, regulatory, and commercial milestones, as well as tiered royalty payments on net sales. In addition, Nona Biosciences is eligible to receive payments for the option programs should AZN exercise these options.

### 2. Collaborations with Boostimmune

In February 2024, Nona Biosciences entered into an ADC discovery collaboration agreement with Boostimmune, a biotech company dedicated to developing next-generation anti-cancer therapies via modulating immune systems. The collaboration aims to leverage Nona Biosciences' proprietary Harbour Mice® H2L2 (two heavy and two light chain) platform to accelerate the development of ADCs against novel targets.

### Research, Development and Technology

We focus on innovative next-generation therapies in oncology and immunology. Our discovery and pre-clinical research teams conduct drug discovery, formulation development, process development and pre-clinical studies on new candidates. During the Reporting Period, we achieved progress on the academic research on our clinical development:

- Presented clinical results of HBM9161 for generalized myasthenia gravis on JAMA Neurology in March 2024.

Meanwhile, we have a professional team of scientists at Nona Biosciences to optimize, upgrade and further develop our technology platforms. During the Reporting Period, the Company has made major progress in discovery, platform and patents as follows:

- Applied for 329 patents, and 14 patents have been granted invention patent license by the China National Intellectual Property Administration, with 174 patent applications still in progress as at 30 June 2024. These patent applications have further strengthened the protection of intellectual property rights of the Company's core products and technology platforms.



## Management Discussion and Analysis

Nona Biosciences has established a robust antibody discovery platform, protein engineering platform, conjugation technology platform, HCAb-CAR screening platform and delivery technology platform to use mRNA-encoding target gene as immunogen to tackle difficult targets. Leveraging these technology platforms, the Company may move towards more novel and challenging drug targets globally. During the Reporting Period, the Company presented academic articles or conference posters as follows.

- Developed human monoclonal antibodies and heavy-chain-only antibodies to treat snakebite, which was published on Toxicon X in February 2024.
- Developed a novel human heavy-chain-only antibody to mitigate neutralization resistance of SARS-CoV-2 variants, which was presented on Nature communications in March 2024.
- Developed our direct CAR-based library screening platform and presented a poster at AACR in April 2024.
- Developed mRNA-encoded T cell engagers for cancer immunotherapy and presented a poster at Immuno-Oncology Summit Europe 2024 in April 2024.
- Developed anti-TFR1 human heavy-chain-only antibodies and Blood-Brain Barrier Shuttle Technology, and presented a poster in PEGS Boston Summit in May 2024.

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

### Significant Investments

To give full play to the value of our unique platform technologies, we continue to explore the expandability of platform technology application scenarios which generate impactful values to the Company. With limited investments, we are incubating several joint ventures focusing on next generation innovation varying from multivalent to cell therapies, etc. Their common objective is to increase the application scenarios of our technology platform and create the incremental value for the Company. In other words, this “technology for equity” model allows us to integrate incremental resources for the diversification deployment of our next generation innovation which will constantly bring us more new value growth points with minimal marginal investment.





## Management Discussion and Analysis

### *Investment in NK Cell Tech*

In June 2021, the Company entered into an agreement with NK Cell Tech, a startup company established in the PRC with globally leading technology and talents in the NK cell field, in respect of the co-development of novel NK cell therapy. The Company, via Harbour BioMed (Shanghai) Technology Development Co., Ltd (“**HBM Shanghai**”), a subsidiary of the Company, as the co-founder, made an investment in NK Cell Tech. Pursuant to the shareholders’ agreement entered into by the parties, HBM Shanghai subscribed for redeemable ordinary shares with preferential shares of NK Cell Tech, representing 15.8% of the equity interest in the registered capital of NK Cell Tech, for a consideration of cash and technology sublicense agreement. Upon completion of the subscription, the Company, through its subsidiary, held 15.8% of the total equity interest of NK Cell Tech and has the right to appoint a person as a director of NK Cell Tech. This investment shows the expandability of our platform technology application scenarios which generate impactful values to the Company in the diversified deployment of next generation innovation. It opens a new channel for our platform technology value creation and conversion. In June 2022, NK Cell Tech announced that it has completed its A round financing with a fund raising over RMB100 million. As of 30 June 2024, the Company, through its subsidiary, held 11.75% of the total equity interest of NK Cell Tech.

As of 30 June 2024, the fair value of the investment is US\$5.71 million, which represented 2.60% of the Company’s total assets. During the Reporting Period, the Group recorded unrealized loss on fair value change of US\$0.04 million of its investment in NK Cell Tech.

Save as disclosed above, the Group did not make or hold any significant investments (including any investment in an investee company with a value of 5% or more of the total assets of the Group as at 30 June 2024) during the Reporting Period.

### **Prospects and Outlook**

The Company’s achievements and growth momentum in the first half of 2024 give us confidence that we will be able to successfully address the complex market environment and provide innovative therapeutic drugs to patients with immune diseases and cancer in the near future.

Since its establishment, we have been committed to developing innovative therapies for patients around the world and have become an innovative biopharmaceutical company with core technological advantages and a differentiated portfolio. In 2024, we completed BLA submission of HBM9161, and Harbour Therapeutics will further accelerate the progress of its portfolio. We will advance the multiple clinical trials of HBM4003, HBM9378, HBM1020 and other projects generated from our discovery engine with an approach of designing molecules against novel targets or innovative molecules against known targets. In addition, we expect to further expand our platform to immunology and inflammation, and we will continue to identify new quality candidates through Harbour Mice<sup>®</sup> and HBICE<sup>®</sup>, our highly effective drug discovery engine.

The values of the antibody discovery platforms and flexible partnership models of Nona Biosciences have been well validated through the collaboration achieved since 2022. Build on the success launch of Nona Biosciences, we will continue to enhance the approaches with partners worldwide, from academies, biotechnology startups to biopharmaceutical giants, providing a total solution. The platform’s valued-maximized business collaborations will further drive the Company along the path of global development. We have already seen exciting value through these platform-based collaborations with top institutions around the world as our preclinical products become increasingly mature, and more extensive global collaborations are expected in 2024.

Accordingly, we will re-allocate our internal resources to focus on the development of portfolio in which all assets are generated from our platforms, and the exploration on expanding of collaboration networks by Nona Biosciences.

# Management Discussion and Analysis

## FINANCIAL REVIEW

### OVERVIEW

The Group recorded a revenue of US\$23.7 million and a profit of US\$1.4 million for the six months ended 30 June 2024, as compared with a revenue of US\$41.0 million and a profit of US\$2.9 million for the six months ended 30 June 2023.

Other income and gains were US\$3.5 million for the six months ended 30 June 2024, as compared with US\$3.2 million for the six months ended 30 June 2023. The research and development costs of the Group was US\$13.1 million for the six months ended 30 June 2024, as compared with US\$28.4 million for the six months ended 30 June 2023. The administrative expenses were US\$8.0 million for the six months ended 30 June 2024, as compared with US\$8.6 million for the six months ended 30 June 2023.

### Revenue

Our revenue primarily consists of molecule license fee, research service fee and technology license fee, primarily attributable to license out and collaboration agreement with AZN.

During the Reporting Period, research service agreements with a total value of US\$4.2 million have been successfully signed. Our research service fee increased by 167.4%, from US\$0.9 million for the period ended 30 June 2023 to US\$2.3 million for the period ended 30 June 2024.

### Cost of Sales

Our cost of sales was US\$1.2 million for the six months ended 30 June 2024, as compared with US\$0.02 million for the six months ended 30 June 2023, mainly consisted of the labor costs and material costs for the research service. The increase was consistent with the growth of research service fee income.

### Other Income and Gains

Other income and gains were US\$3.5 million for the six months ended 30 June 2024, and US\$3.2 million for the six months ended 30 June 2023, primarily due to the increase in cash which generated more interest income.



## Management Discussion and Analysis

### Research and Development Costs

Our research and development costs decreased significantly from US\$28.4 million for the six months ended 30 June 2023 to US\$13.1 million for the six months ended 30 June 2024. This decrease was primarily attributable to (i) optimized investments in our clinical programs and our molecule assets in discovery and pre-clinical stages; and (ii) optimized employee cost from US\$8.8 million to US\$6.6 million.

|                               | For the six months ended 30 June |               |                      |            |
|-------------------------------|----------------------------------|---------------|----------------------|------------|
|                               | 2024                             |               | 2023                 |            |
|                               | US\$ in<br>thousands             | Percentage    | US\$ in<br>thousands | Percentage |
| Employee costs                | 6,578                            | 50.2%         | 8,849                | 31.2%      |
| Third-party contracting costs | 3,203                            | 24.5%         | 14,725               | 51.9%      |
| Depreciation and amortization | 1,575                            | 12.0%         | 1,946                | 6.9%       |
| Upfront and milestone fees    | 879                              | 6.7%          | 233                  | 0.8%       |
| Materials                     | 16                               | 0.1%          | 1,563                | 5.5%       |
| Others                        | 844                              | 6.5%          | 1,062                | 3.7%       |
|                               | <b>13,095</b>                    | <b>100.0%</b> | 28,378               | 100.0%     |

### Administrative Expenses

Our administrative expenses decreased by US\$0.7 million to US\$7.9 million for the six months ended 30 June 2024, primarily due to enhanced cost saving management.

|                               | For the six months ended 30 June |               |                      |            |
|-------------------------------|----------------------------------|---------------|----------------------|------------|
|                               | 2024                             |               | 2023                 |            |
|                               | US\$ in<br>thousands             | Percentage    | US\$ in<br>thousands | Percentage |
| Employee costs                | 5,422                            | 68.5%         | 5,529                | 64.5%      |
| Professional expenses         | 1,662                            | 21.0%         | 1,577                | 18.4%      |
| Depreciation and amortization | 155                              | 2.0%          | 508                  | 5.9%       |
| Others                        | 678                              | 8.5%          | 962                  | 11.2%      |
|                               | <b>7,917</b>                     | <b>100.0%</b> | 8,576                | 100.0%     |

## Management Discussion and Analysis

### Profit for the Period

As a result of the above factors, the profit for the Reporting Period of the Group decreased by US\$1.5 million from US\$2.9 million profit for the six months ended 30 June 2023 to US\$1.4 million profit for the six months ended 30 June 2024.

### Ageing Analysis of Accounts Receivable

An ageing analysis of our accounts receivable as at the end of each period, based on the invoice date, or the date of the service rendered is as follows:

|                   | <b>30 June<br/>2024<br/>US\$ in<br/>thousands</b> | 31 December<br>2023<br>US\$ in<br>thousands |
|-------------------|---|---|
| Within six months | <b>1,471</b>                                      | 52,323                                      |
| Less: impairment  | –   | –   |
|                   | <b>1,471</b>                                      | 52,323                                      |

A majority of the accounts receivables aged less than six months.

### Ageing Analysis of Accounts Payables

An ageing analysis of the trade payables as at the end of each period, based on the invoice date, is as follows:

|                | <b>30 June<br/>2024<br/>US\$ in<br/>thousands</b> | 31 December<br>2023<br>US\$ in<br>thousands |
|----------------|---|---|
| Within 1 month | <b>4,878</b>                                      | 14,864                                      |
| 1-3 months     | <b>279</b>  | 256   |
| 3-6 months     | <b>191</b>  | 234   |
| 6-12 months    | <b>34</b>   | 9   |
|                | <b>5,382</b>                                      | 15,363                                      |

The trade payables are non-interest-bearing and are normally settled on terms of 1 to 3 months.



## Management Discussion and Analysis

### Liquidity and Source of Funding

Our primary uses of cash are to fund our clinical trials, research, purchase of equipment and materials and other expenses. During the Reporting Period, we primarily funded our working capital requirements through revenue generated from out-licensing and bank loans. We closely monitor cash and bank balances and strive to maintain a healthy liquidity for our operations.

### Key Financial Ratios

The following table sets forth the key financial ratios as of the following dates indicated:

|                              | <b>As of<br/>30 June<br/>2024</b> | As of<br>31 December<br>2023 |
|------------------------------|-----------------------------------|------------------------------|
| Current ratio <sup>(1)</sup> | <b>3.45</b>                       | 3.28                         |
| Gearing ratio <sup>(2)</sup> | <b>N/A<sup>(3)</sup></b>          | N/A <sup>(3)</sup>           |

(1) Current ratio is calculated using current assets divided by current liabilities as of same date.

(2) Gearing ratio is calculated by net debt divided by the adjusted capital plus net debt. Net debt includes lease liabilities, trade payables and financial liabilities included in other payables and accruals, less cash and cash equivalents. Adjusted capital includes equity attributable to owners of the parent.

(3) As of 30 June 2024 and 31 December 2023, the Group's cash and cash equivalents exceeded the financial liabilities. As such, no gearing ratio as of 30 June 2024 and 31 December 2023 was presented.

### Material Acquisitions and Disposals

The Group did not have any material acquisitions or disposals of subsidiaries, consolidated affiliated entities or associated companies during the six months ended 30 June 2024.

### Future Plans for Material Investments or Capital Assets

The Group did not have detailed future plans for material investments or capital assets.

### Pledge of Assets

As of 30 June 2024, except for the cash in bank amounting to US\$0.7 million (as of 31 December 2023: US\$0.7 million) that is restricted, the Group had no pledge of assets.

## Management Discussion and Analysis

### Contingent Liabilities

The Group had no material contingent liabilities as of 30 June 2024 (as of 31 December 2023: Nil).

### Foreign Exchange Exposure

During the six months ended 30 June 2024, the Group mainly operated in China in which the majority of the transactions were settled in the Renminbi (“RMB”), whereas the funding source of the Company was United States dollar (“US\$”) the functional currency of the Company. Our financial assets and liabilities are subject to foreign currency risk as a result of certain bank deposits, trade and other receivables and trade and other payables denominated in non-functional currency. Therefore, the fluctuations in the exchange rate of functional currency against non-functional currency could affect our results of operations. We have not entered into any hedging transactions to manage the potential fluctuation in foreign currency as of 30 June 2024.

### Bank Loans and Borrowings

As of 30 June 2024, we had bank loans of US\$65.0 million and lease liabilities of US\$1.2 million.

The table below summarizes the maturity profile of the Group’s bank loans and lease liabilities as of the dates indicated, based on contractual undiscounted payments:

|                             | <b>Less than 1 year</b><br>US\$ in thousands | <b>Between 1-5 years</b><br>US\$ in thousands | <b>Total</b><br>US\$ in thousands |
|-----------------------------|--|---|-----------------------------------|
| As of 30 June 2024          |  |   |                                   |
| Lease liabilities           | 696  | 534   | 1,230                             |
| Bank borrowing – unsecured* | 45,491                                       | 21,746  | 67,237                            |
| As of 31 December 2023      |  |   |                                   |
| Lease liabilities           | 874  | 731   | 1,605                             |
| Bank borrowing – unsecured* | 39,103                                       | 28,993  | 68,096                            |

\* The bank borrowings carry interest at rates ranging from 2.7% to 4.65% (2023: 3.45% to 4.65%) per annum.



## Management Discussion and Analysis

### Employees and Remuneration

As of 30 June 2024, 158 of our employees were located in the PRC, 23 were located in the United States, and one was located in the Netherlands. The following table sets forth the total number of employees by function as of 30 June 2024:

| Function                   | Number of Employees | % of Total Number of Employees |
|----------------------------|---------------------|--------------------------------|
| Research and Development   | 113                 | 62.1%                          |
| General and Administrative | 69                  | 37.9%                          |
| Total                      | 182                 | 100.0%                         |

The total remuneration cost incurred by the Group for the six months ended 30 June 2024 was US\$13.2 million (including share-based payment expenses amounting to US\$0.7 million), as compared to US\$14.4 million (including share-based payment expenses and certain one-time compensation expenses amounting to US\$2.9 million) for the six months ended 30 June 2023.

The Group has also adopted a pre-IPO equity plan, a post-IPO share option scheme and a post-IPO share award scheme.

### INTERIM DIVIDEND

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



# Corporate Governance/Other information

## CORPORATE GOVERNANCE PRACTICES

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders and to enhance corporate value and accountability. The Company has devised its own Corporate Governance Policy which incorporates the principles and practices as set out in the Corporate Governance Code (the “**CG Code**”) under Appendix C1 to the Listing Rules. The Board will continue to review and enhance the corporate governance practice of the Company to ensure compliance and alignment with the latest measures and standards set out in the CG Code.

The Board is of the view that, during the Reporting Period, the Company has complied with all the applicable code provisions of the CG Code, save and except for the deviation from code provision C.2.1 of the CG Code, details of which are set out below.

Pursuant to code provision C.2.1 of the CG Code, the responsibilities between the chairman and the chief executive officer should be separate and should not be performed by the same individual. Companies listed on the Stock Exchange are expected to comply with such requirement, but may choose to deviate from such requirement. Currently, the Company does not have a separate chairman and chief executive officer and Dr. Jingsong Wang currently performs both roles.

Our Board continues to believe that vesting the roles of both chairman and chief executive officer in the same person has the benefit of ensuring consistent leadership within our Group and enables more effective and efficient overall strategic planning for our Group. Our Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable our Group to make and implement decisions promptly and effectively. Our Board will continue to review and consider splitting the roles of chairman of our Board and the chief executive officer of our Company at a time when it is appropriate by taking into account the circumstances of our Group as a whole.

## MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules as its code of conduct regarding securities transactions of the Directors. Having made specific enquiry with the Directors, all the Directors confirmed that they have complied with the required standard as set out in the Model Code during the six months ended 30 June 2024.



## Corporate Governance/Other information

### AUDIT COMMITTEE

The Board has established the Audit Committee, which comprises two independent non-executive Directors, namely Dr. Xiaoping Ye (Chairman) and Dr. Albert R. Collinson (Dr. Albert R. Collinson was appointed following the resignation of Mr. Ka Chi Yau (“**Mr. Yau**”) as an independent non-executive Director on 21 June 2024) and a non-executive Director, Ms. Weiwei Chen.

As Mr. Yau is the independent non-executive Director who has the appropriate professional qualifications or accounting or related financial management expertise (the “**Relevant Qualification**”) under Rule 3.10(2) of the Listing Rules, following the resignation of Mr. Yau on 21 June 2024, there would be no independent non-executive Director who possesses the Relevant Qualification as required under Rule 3.10(2) of the Listing Rules; and the Audit Committee would comprise no independent non-executive Director with the Relevant Qualifications as required under Rule 3.21 of the Listing Rules. The Company is in the course of identifying suitable candidate(s) to act as an independent non-executive Director to meet the requirement set out in Rule 3.10(2) and 3.21 of the Listing Rules within three months from 21 June 2024 and will make further announcement as and when appropriate.

The primary duties of the Audit Committee include the following:

- To review the financial statements and reports before submission to the Board and to consider any significant or unusual items raised by the internal audit department or the external auditors;
- To review the relationship with the external auditor with reference to the work performed by the auditor, its fees and terms of engagement, and to make recommendations to the Board on the appointment, reappointment and removal of the external auditor; and
- To review the adequacy and effectiveness of the Company’s financial reporting system, risk management and internal control system and related programs, including the adequacy of the Company’s resources, staff qualifications and experience, training programs and budget for the accounting and financial reporting function.

The Audit Committee, together with the management of the Company, has reviewed the unaudited interim results of the Group for the six months ended 30 June 2024.

### OTHER BOARD COMMITTEES

In addition to the Audit Committee, the Company has also established a Nomination Committee and a Remuneration Committee.



## Corporate Governance/Other information

### FUTURE PLANS FOR MATERIAL INVESTMENT OR CAPITAL ASSETS

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

### CHANGES TO DIRECTORS' INFORMATION

Pursuant to Rule 13.51B(1) of the Listing Rules, the changes in Directors' information subsequent to the 2023 Annual Report of the Company are set out below:

- Mr. Ka Chi Yau resigned as an independent non-executive Director, a member of the Remuneration Committee and the chairperson of the Audit Committee with effect from 21 June 2024.
- Dr. Albert R. Collinson, an independent non-executive Director has been appointed as a member of Audit Committee and the chairperson of Remuneration Committee with effect from 21 June 2024.
- Dr. Xiaoping Ye, an independent non-executive Director, has been redesignated as the chairperson of the Audit Committee and redesignated from the chairperson to a member of the Remuneration Committee with effect from 21 June 2024.

Save as disclosed above, the Directors confirm that no other information is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

### PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares (as defined under the Listing Rules)) during the six months ended 30 June 2024. As of 30 June 2024, the Company did not hold any treasury shares (as defined under the Listing Rules).

### MATERIAL LITIGATION

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



## Corporate Governance/Other information

### DIRECTORS' AND CHIEF EXECUTIVE INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2024, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required to be notified to the Company and the Stock Exchange pursuant to Model Code are as follows:

| Name of Director                      | Nature of Interest  | Number of Shares | Approximate Percentage of Interest in the Company <sup>(2)</sup> |
|---------------------------------------|---|------------------|--|
| Dr. Jingsong Wang <sup>(3)</sup>      | Founder of a discretionary trust who can influence how the trustee exercises his discretion | 60,334,400 (L)   | 7.85%  |
| Dr. Jingsong Wang <sup>(4)</sup>      | Beneficial interest   | 9,563,000 (L)    | 1.24%  |
| Dr. Robert Irwin Kamen <sup>(5)</sup> | Beneficial interest   | 4,128,040 (L)    | 0.54%  |
| Dr. Yiping Rong <sup>(6)</sup>        | Beneficial interest   | 3,033,000 (L)    | 0.39%  |

Notes:

- (1) The letter "L" denotes the person's long position in the Shares.
- (2) The calculation is based on the total number of 768,876,410 Shares in issue as of 30 June 2024 and rounded off to two decimal places.
- (3) As of 30 June 2024, Dr. Wang's interests in the Shares were held by HARBOURBIO LLC the membership interests of which were in turned held in three trusts of which he is the settlor. South Dakota Trust Company LLC (acting on the instructions of Dr. Wang) is the trustee of two of the trusts which together own 99.96% equity interest in HARBOURBIO LLC.
- (4) Dr. Wang has been granted 7,200,000 options pursuant to the Post-IPO Share Option Scheme and 956,500 restricted shares pursuant to Post-IPO Share Award Scheme which are held on his behalf by Kastle Limited.
- (5) Dr. Kamen holds 2,625,960 shares in his personal capacity, and the other 1,502,080 shares are restricted shares granted to Dr. Kamen pursuant to the Pre-IPO Equity Plan being held on his behalf by Shuxin Biotech Limited.
- (6) Dr. Rong has been granted 2,625,000 options pursuant to the Post-IPO Share Option Scheme and 204,000 restricted shares pursuant to Post-IPO Share Award Scheme which are held on his behalf by Kastle Limited.

## Corporate Governance/Other information

Save as disclosed above, as at 30 June 2024, none of the Directors or chief executives of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the 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 were required to be recorded in the register to be kept by the Company pursuant to Section 352 of the SFO, or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

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

As at 30 June 2024, within the knowledge of the Directors, the following persons (other than the Directors or chief executive of the Company) had an interest or a short position in the Shares or underlying Shares of the Company which would be required to be disclosed to the Company under the provisions of 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 Shares <sup>(1)</sup> | Approximate percentage of interest in the Company <sup>(2)</sup> |
|--|-------------------------------------|---------------------------------|--|
| Golden Link Investment Limited <sup>(3)</sup>      | Beneficial interest                 | 93,561,360 (L)                  | 12.17%   |
| Advantech Master Investment Limited <sup>(3)</sup> | Interest in controlled corporations | 93,561,360 (L)                  | 12.17%   |
| Advantech Capital L.P. <sup>(3)</sup>              | Interest in controlled corporations | 93,561,360 (L)                  | 12.17%   |
| Advantech Capital Partners Ltd. <sup>(3)</sup>     | Interest in controlled corporations | 93,561,360 (L)                  | 12.17%   |
| Advantech Capital Holdings Ltd. <sup>(3)</sup>     | Interest in controlled corporations | 93,561,360 (L)                  | 12.17%   |
| Pang Kee Chan Hebert <sup>(3)</sup>                | Interest in controlled corporations | 93,561,360 (L)                  | 12.17%   |
| LC Healthcare Fund I, L.P. <sup>(4)</sup>          | Beneficial interest                 | 68,601,000 (L)                  | 8.92%  |
| LC Healthcare Fund I GP, L.P. <sup>(4)</sup>       | Interest in controlled corporations | 68,601,000 (L)                  | 8.92%  |
| LC Fund GP Limited <sup>(4)</sup>                  | Interest in controlled corporations | 68,601,000 (L)                  | 8.92%  |
| Union Season Holdings Limited <sup>(4)</sup>       | Interest in controlled corporations | 68,601,000 (L)                  | 8.92%  |
| Legend Capital Co., Ltd <sup>(4)</sup>             | Interest in controlled corporations | 68,601,000 (L)                  | 8.92%  |
| HARBOURBIO LLC <sup>(5)</sup>                      | Beneficial interest                 | 60,334,400 (L)                  | 7.85%  |
| South Dakota Trust Company LLC                     | Trustee                             | 60,334,400 (L)                  | 7.85%  |



## Corporate Governance/Other information

### Notes:

- (1) The letter "L" denotes the person's long position in the Shares. The letter "S" denotes the person's short position in the Shares.
- (2) The calculation is based on the total number of 768,876,410 Share in issue as of 30 June 2024 and rounded off two decimal places.
- (3) Golden Link Investment Limited is a wholly-owned subsidiary of Advantech Master Investment Limited, which is in turn a wholly-owned subsidiary of Advantech Capital L.P. ("**Advantech Capital**"). The general partner of Advantech Capital is Advantech Capital Partners Ltd., which is wholly-owned by Advantech Capital Holdings Ltd., which is in turn wholly-owned by Mr. Pang Kee Chan Hebert. Therefore, under the SFO, Advantech Master Investment Limited, Advantech Capital, Advantech Capital Partners Ltd., Advantech Capital Holdings Ltd. and Mr. Pang are deemed to be interested in the 93,561,360 Shares held by Golden Link Investment Limited.
- (4) Legend Capital Co., Ltd is deemed to be interested in the equity interests held by LC Healthcare Fund I, L.P., due to the fact that it is the sole shareholder of Union Season Holdings Limited, which is the sole shareholder of LC Fund GP Limited, which in turn is the general partner of LC Healthcare Fund I GP, L.P., which in turn is the general partner of LC Healthcare Fund I, L.P.. Legend Capital Co., Ltd is ultimately controlled by each of Zhu Linan, Chen Hao and Wang Nengguang. Therefore, under the SFO, LC Healthcare Fund I GP, L.P, LC Fund GP Limited, Union Season Holdings Limited and Legend Capital Co., Ltd are deemed to be interested in the 68,601,000 Shares held by LC Healthcare Fund I, L.P..
- (5) HARBOURBIO LLC is a company incorporated in the State of South Dakota in the U.S. and is wholly owned and controlled by Dr. Jingsong Wang.
- (6) Dr. Wang has been granted 7,200,000 options pursuant to the Post-IPO Share Option Scheme and 956,500 restricted shares pursuant to Post-IPO Share Award Scheme which are held on his behalf by Kastle Limited.

Save as disclosed above, as at 30 June 2024, the Directors are not aware of any other person (other than the Directors or chief executive of the Company) who had an interest or short position in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

## Corporate Governance/Other information

### EQUITY INCENTIVE PLANS

The Company has three existing share schemes, namely the Pre-IPO Equity Plan, the Post-IPO Share Option Scheme and the Post-IPO Share Award Scheme, which were all adopted before the effective date of the new Chapter 17 of the Listing Rules on 1 January 2023. The Company has complied and will comply with the new Chapter 17 to the extent required by the transitional arrangements for the existing share schemes.

14,260,000 new Shares, representing approximately 1.85% of the weighted average of issued share capital (excluding treasury shares (as defined under the Listing Rules)) of the Company, may be issued in respect of all options and awards granted during the Reporting Period to eligible participants pursuant to the Post-IPO Share Option Scheme and the Post-IPO Share Award Scheme. Further details and relevant breakdowns of each of the share schemes of the Company are set out below:

#### 1. PRE-IPO EQUITY PLAN

Given that the awards granted under the Pre-IPO Equity Plan shall be satisfied by existing Shares, details of the unvested restricted stock and restricted stock units will be set out in the upcoming annual report.

For details of the Pre-IPO Equity Plan, please refer to the prospectus and the 2023 Annual Report of the Company.

#### 2. POST-IPO SHARE OPTION SCHEME

##### **Maximum number of Shares available for grant**

The total number of Shares which may be issued upon exercise of all options to be granted under the Post-IPO Share Option Scheme and any other share option schemes of our Company is 76,789,116, being no more than 10% of the Shares in issue on the Listing Date.

As of 1 January 2024, 38,595,116 Shares were available for grant under the Post-IPO Share Option Scheme. During the Reporting Period, 9,605,000 and 5,737,250 Shares were granted to eligible participants pursuant to the Post-IPO Share Option Scheme and have lapsed/cancelled, respectively. Therefore, as of 30 June 2024, the total number of Shares available for grant under the Post-IPO Share Option Scheme was 34,727,366 Shares.

Further details of the Post-IPO Share Option Scheme are set out in the prospectus and the 2023 Annual Report of the Company.





## Corporate Governance/Other information

| Name            | Role               | Date of Grant | Vesting Period   | Exercise price | Outstanding options as of 1 January 2024 | Granted during the Reporting Period | Exercised during the Reporting Period | Cancelled during the Reporting Period | Lapsed during the Reporting Period | Outstanding options as of 30 June 2024 | Closing price of Shares immediately before the date of grant during the Reporting Period | Fair value of options at the date of grant during the Reporting period <sup>(1)</sup> | Weighted average closing price of the Share immediately before the date of exercise during the Reporting Period | Performance targets for grant of options during the Reporting Period |
|-----------------|--------------------|---------------|--|----------------|--|-------------------------------------|---------------------------------------|---------------------------------------|------------------------------------|--|--|---|---|--|
| Dr. Yiping Fong | Executive Director | 27 July 2022  | (i) 25% shall vest on 31 March 2023; (ii) 25% shall vest on 31 March 2024; (iii) 25% shall vest on 31 March 2025; and (iv) 25% shall vest from 31 March 2026 | HK\$6.20       | 435,000                                  | Nil                                 | 0                                     | 0                                     | 0                                  | 435,000                                | N/A  | N/A   | N/A   | N/A  |
|                 |                    | 18 April 2023 | (i) 20% shall vest on 18 April 2023; (ii) 20% shall vest on 18 April 2024; (iii) 20% shall vest on 18 April 2025; and (iv) 40% shall vest on 18 April 2026   | HK\$2.41       | 1,664,000                                | Nil                                 | 0                                     | 0                                     | 0                                  | 1,664,000                              | N/A  | N/A   | N/A   | N/A  |
|                 |                    | 3 April 2024  | (i) 50% shall vest on 3 April 2024; (ii) 50% shall vest on 3 April 2025  | HK\$1.362      | N/A                                      | 526,000                             | 0                                     | 0                                     | 0                                  | 1,572,000                              | HK\$1.36   | HK\$0.56  | N/A   | See Note 2   |



## Corporate Governance/Other information

| Name                                       | Role | Date of Grant   | Vesting Period   | Exercise price    | Outstanding options as of 1 January 2024 | Granted during the Reporting Period | Exercised during the Reporting Period | Cancelled during the Reporting Period | Lapsed during the Reporting Period | Outstanding options as of 30 June 2024 | Closing price of Shares immediately before the date of grant during the Reporting Period | Fair value of options at the date of grant during the Reporting period <sup>(ii)</sup> | Weighted average closing price of the Share immediately before the date of exercise during the Reporting Period | Performance targets for grant of options during the Reporting Period |
|--|------|-----------------|--|-------------------|--|-------------------------------------|---------------------------------------|---------------------------------------|------------------------------------|--|--|--|---|--|
| <b>Other grantees in category</b>          |      |                 |  |                   |  |                                     |                                       |                                       |                                    |  |  |  |   |  |
| <b>Employee Participants<sup>(i)</sup></b> |      |                 |  |                   |  |                                     |                                       |                                       |                                    |  |  |  |   |  |
|  |      | 27 July 2022    | See Note 4   | HK\$5.65&HK\$6.20 | 2,305,500                                | Nil                                 | 0                                     | 0                                     | 1,089,750                          | 1,215,750                              | N/A  | N/A  | N/A   | N/A  |
|  |      | 18 April 2023   | See Note 6   | See Note 5        | 28,045,200                               | Nil                                 | 0                                     | 0                                     | 3,577,500                          | 24,625,200                             | N/A  | N/A  | N/A   | N/A  |
|  |      | 12 January 2024 | (i) 25% shall vest on 31 March 2025; (ii) 25% shall vest on 31 March 2026; (iii) 25% shall vest on 31 March 2027, and (iv) 25% shall vest from 31 March 2028 | HK\$1.73          | N/A                                      | 1,297,000                           | 0                                     | 0                                     | 0                                  | 1,297,000                              | HK\$1.78   | N/A  | N/A   | Nil  |
|  |      | 3 April 2024    | (i) 50% shall vest on 3 April 2024; and (ii) 50% shall vest on 3 April 2025  | HK\$1.36          | N/A                                      | 6,210,000                           | 0                                     | 0                                     | 1,070,000                          | 5,140,000                              | HK\$1.36   | HK\$0.56   | N/A   | See Note 2   |
| Total                                      |      |                 |  |                   | 38,077,700                               | 11,709,000                          | 0                                     | 0                                     | 5,737,250                          | 41,945,450                             |  |  |   |  |

## Corporate Governance/Other information

### Notes:

1. The fair value of options granted are calculated in accordance with the accounting standards and policies adopted for preparing the Company's financial statements. The assumptions including the expected volatility, the exercise multiple, the risk-free rate, the dividend yield and the fair value of the ordinary shares. For expected volatility, we have made reference to historical volatility of several comparable companies in the same industry. The exercise multiple was estimated as the average ratio of the stock price to the exercise price of when employees would decide to voluntarily exercise their vested share options. The risk-free rate for periods within the contractual life of the share options is based on the market yield of Hong Kong Government Bonds in effect at the time of grant. The dividend yield is based on the expected dividend policy over the contractual life of the share options.
2. Each vesting of the abovementioned options will be subject to the results of the individual performance appraisal of each grantee. The Group will conduct performance appraisal on each grantee before each vesting, and the performance appraisal criteria (such as financial benchmarks or business/operative milestones, etc) shall be determined by the Board. The said options will only vest if the grantee obtains over a certain score at his/her performance appraisal. Based on the above vesting schedule, subject to the satisfaction of the individual performance appraisal, 50% of the options shall vest immediately after the grant. For details, please refer to the announcement of the Company dated 3 April 2024.
3. Employee Participants other than Dr. Jingsong Wang and Dr. Yiping Rong as disclosed above, on individual basis.
4. For one participant: (a) 25% shall vest on 31 March 2022; (b) 25% shall vest on 31 March 2023; (c) 25% shall vest on 31 March 2024; and (d) the remaining 25% shall vest on 31 March 2025. For another one: (a) 25% shall vest on 11 April 2023; (b) 25% shall vest on 11 April 2024; (c) 25% shall vest on 11 April 2025; and (d) the remaining 25% shall vest on 11 April 2026. For others: (a) 25% shall vest on 31 March 2023; (b) 25% shall vest on 31 March 2024; (c) 25% shall vest on 31 March 2025; and (d) the remaining 25% shall vest on 31 March 2026.
5. The exercise price of the options granted is HK\$2.41 per Share, save for the 1,284,000 options granted to 5 non-connected employees whose exercise price is HK\$6.20 per Share.
6. Among the 36,056,000 options, 1,284,000 options granted to 5 non-connected employees, (i) 25% of which shall vest on 18 April 2024; (ii) 25% of which shall vest on 18 April 2025; (iii) 25% of which shall vest on 18 April 2026; and (iv) the remaining 25% shall vest on 18 April 2027. There is no performance targets attached to these 1,284,000 options.  
  
Save for the 1,284,000 options as stated above, subject to the satisfaction of the performance targets as stated in Note 2, the remaining options (i) 20% of which shall vest on 18 April 2023; (ii) 20% of which shall vest on 18 April 2024; (iii) 20% of which shall vest on 18 April 2025; and (iv) the remaining 40% shall vest on 18 April 2026. The performance targets for these options are set out in note 2 above.
7. The options have a term of 10 years from the date of grant.
8. The exercise period of the options granted under the Post-IPO Share Option Scheme shall commence from the date on which the relevant options become vested and end on the 10th anniversary of the grant date, subject to the terms of the Post-IPO Share Option Scheme and the share option or award agreement signed by the grantee.



## Corporate Governance/Other information

### 3. POST-IPO SHARE AWARD SCHEME

#### **Maximum number of award Shares (which can be satisfied by new Shares or existing Shares) available for grant**

The aggregate number of award Shares underlying all grants made pursuant to the Post-IPO Share Award Scheme (excluding award Shares which have been forfeited in accordance with the Post-IPO Share Award Scheme) will not exceed 38,394,558 Shares (representing approximately 5% of the total issued Shares immediately after completion of the Global Offering) without Shareholders' approval, subject to an annual limit of 1% of the total number of issued Shares at the relevant time.

As of 1 January 2024, 33,796,808 award Shares were available for grant under the Post-IPO Share Award Scheme. During the Reporting Period, 4,655,000 and 842,500 award Shares were granted to eligible persons pursuant to the Post-IPO Share Award Scheme and have lapsed/canceled, respectively. It follows that, as of 30 June 2024, 29,984,308 award Shares were available for grant under the Post-IPO Share Award Scheme.

#### **Maximum number of new Shares available for issue**

The total number of new Shares issued and may be issued pursuant to the Post-IPO Share Award Scheme will not exceed 38,394,558 Shares (the "**Scheme Mandate**").

As of 1 January 2024, 37,856,808 new Shares were available for issue under the Scheme Mandate. During the Reporting Period, 1,811,500 new Shares were issued pursuant to the Post-IPO Share Award Scheme. It follows that, as of 30 June 2024, 36,045,308 new Shares were available for issue under the Scheme Mandate.

Details of unvested award Shares granted under the Post-IPO Share Award Scheme (to be satisfied by existing Shares) will be set out in the upcoming annual report.

Corporate Governance/Other information

Details of the unvested Post-IPO Award Shares granted under the Post-IPO Share Award Scheme (to be satisfied by new Shares) are as follows:

| Name                              | Date of grant   | Vesting period   | Purchase price | Unvested award Shares as of 1 January 2024 | Granted during the Reporting Period | Vested during the Reporting Period | Lapsed during the Reporting Period | Cancelled during the Reporting Period | Unvested award Shares as of 30 June 2024 | Closing price of Shares immediately before the grant during the Reporting Period | Fair value of award Shares on the date of grant during the Reporting Period <sup>(i)</sup> | Weighted average closing price of Shares immediately before date of vesting during the Reporting Period | Performance targets for grant of awards during the Reporting Period |
|-----------------------------------|-----------------|--|----------------|--|-------------------------------------|------------------------------------|------------------------------------|---------------------------------------|--|--|--|---|---|
| <i>Directors</i>                  |                 |  |                |  |                                     |                                    |                                    |                                       |  |  |  |   |   |
| -                                 |                 |  |                |  |                                     |                                    |                                    |                                       |  |  |  |   |   |
| <i>Other grantees in category</i> |                 |  |                |  |                                     |                                    |                                    |                                       |  |  |  |   |   |
| <i>Employee Participants</i>      |                 |  |                |  |                                     |                                    |                                    |                                       |  |  |  |   |   |
|                                   | 27 July 2022    | See Note 2   | Nil            | 483,000                                    | N/A                                 | 161,000                            | 0                                  | Nil                                   | 322,000                                  | N/A  | N/A  | HK\$1.38  | N/A   |
|                                   | 18 April 2023   | (i) 25% shall vest on 18 April 2024; (ii) 25% shall vest on 18 April 2025; (iii) 25% shall vest on 18 April 2026; and (iv) 25% shall vest on 18 April 2027   | Nil            | 527,000                                    | N/A                                 | 98,000                             | 307,500                            | Nil                                   | 121,500                                  | N/A  | N/A  | HK\$1.09  | N/A   |
|                                   | 12 January 2024 | (i) 25% shall vest on 31 March 2025; (ii) 25% shall vest on 31 March 2026; (iii) 25% shall vest on 31 March 2027; and (iv) 25% shall vest from 31 March 2028 | Nil            | N/A  | 501,000                             | 0                                  | 0                                  | 0                                     | 501,000                                  | HK\$1.78   | HK\$1.70   | N/A   | Nil   |
|                                   | 3 April 2024    | (i) 50% shall vest on 3 April 2024; (ii) 50% shall vest on 3 April 2025  | Nil            | N/A  | 3,105,000                           | 1,552,500                          | 535,000                            | 0                                     | 1,017,500                                | HK\$1.36   | HK\$1.32   | HK\$1.36  | See Note 3  |
| Total                             |                 |  |                | 1,010,000                                  | 3,606,000                           | 1,811,500                          | 842,500                            | Nil                                   | 1,962,000                                |  |  |   |   |



## Corporate Governance/Other information

### Notes:

1. The fair value of Award Shares are calculated in accordance with the accounting standards and policies adopted for preparing the Company's financial statements and based on the closing price on the date of grant.
2. For one participant: (a) 25% shall vest on 31 March 2022; (b) 25% shall vest on 31 March 2023; (c) 25% shall be vest on 31 March 2024; and (d) the remaining 25% shall vest on 31 March 2025. For another one: (a) 25% shall vest on 11 April 2023; (b) 25% shall vest on 11 April 2024; (c) 25% shall vest on 11 April 2025; and (d) the remaining 25% shall vest on 11 April 2026; For others: (a) 25% shall vest on 31 March 2023; (b) 25% shall vest on 31 March 2024; (c) 25% shall be vest on 31 March 2025; and (d) the remaining 25% shall vest on 31 March 2026.
3. Each vesting of the abovementioned awards will be subject to the results of the individual performance appraisal of each grantee. The Group will conduct performance appraisal on each grantee before each vesting, and the performance appraisal criteria (such as financial benchmarks or business/operative milestones, etc) shall be determined by the Board. The said awards will only vest if the grantee obtains over a certain score at his/her performance appraisal. Based on the above vesting schedule, subject to the satisfaction of the individual performance appraisal, 50% of the options shall vest immediately after the grant. For details, please refer to the announcement of the Company dated 3 April 2024.

### **DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES**

Save as disclosed in this interim report, at no time during the Reporting Period was the Company or any of its subsidiaries, a party to any arrangement that would enable the Directors to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other legal entity, and none of the Directors or any of their spouses or children under the age of 18 were granted any right to subscribe for the equity or debt securities of the Company or any other legal entity or had exercised any such right.

# Interim Condensed Consolidated Statement of Profit or Loss

For the six months ended 30 June 2024

|   | Notes | 2024<br>(Unaudited)<br>USD'000 | 2023<br>(Unaudited)<br>USD'000 |
|---|-------|--------------------------------|--------------------------------|
| <b>REVENUE</b>  | 4     | <b>23,701</b>                  | 40,996                         |
| Cost of sales   |       | <b>(1,185)</b>                 | (23)                           |
| Gross profit  |       | <b>22,516</b>                  | 40,973                         |
| Other income and gains  |       | <b>3,488</b>                   | 3,226                          |
| Selling expense   |       | <b>(1,709)</b>                 | –                              |
| Administrative expenses   |       | <b>(7,917)</b>                 | (8,576)                        |
| Research and development costs  |       | <b>(13,095)</b>                | (28,378)                       |
| Other expenses  |       | <b>–</b>                       | (1,995)                        |
| Finance costs   |       | <b>(1,559)</b>                 | (2,347)                        |
| <b>PROFIT BEFORE TAX</b>  | 5     | <b>1,724</b>                   | 2,903                          |
| Income tax (expense)/benefits   | 6     | <b>(327)</b>                   | 11                             |
| <b>PROFIT FOR THE PERIOD</b>  |       | <b>1,397</b>                   | 2,914                          |
| Attributable to:  |       |                                |                                |
| Owners of the parent  |       | <b>1,424</b>                   | 2,922                          |
| Non-controlling interests   |       | <b>(27)</b>                    | (8)                            |
|   |       | <b>1,397</b>                   | 2,914                          |
| <b>EARNINGS PER SHARE ATTRIBUTABLE TO<br/>ORDINARY EQUITY HOLDERS OF THE PARENT</b> |       |                                |                                |
| Basic (USD)   | 8     | <b>0.00</b>                    | 0.00                           |
| Diluted (USD)   | 8     | <b>0.00</b>                    | 0.00                           |



# Interim Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2024

|  | <b>2024</b><br><b>(Unaudited)</b><br><b>USD'000</b> | 2023<br>(Unaudited)<br>USD'000 |
|--|---|--------------------------------|
| <b>PROFIT FOR THE PERIOD</b>   | <b>1,397</b>  | 2,914                          |
| <b>OTHER COMPREHENSIVE PROFIT</b>  |   |                                |
| Other comprehensive profit that may be reclassified to profit or loss in subsequent periods: |   |                                |
| Exchange differences on translation of foreign operations                                    | <b>311</b>  | 2,085                          |
| <b>OTHER COMPREHENSIVE PROFIT FOR THE PERIOD, NET OF TAX</b>                                 | <b>311</b>  | 2,085                          |
| <b>TOTAL COMPREHENSIVE PROFIT FOR THE PERIOD</b>   | <b>1,708</b>  | 4,999                          |
| Attributable to:   |   |                                |
| Owners of the parent   | <b>1,735</b>  | 5,007                          |
| Non-controlling interests  | <b>(27)</b>   | (8)                            |
|  | <b>1,708</b>  | 4,999                          |

## Interim Condensed Consolidated Statement of Financial Position

30 June 2024

|   | Notes | 30 June<br>2024<br>(Unaudited)<br>USD'000 | 31 December<br>2023<br>(Audited)<br>USD'000 |
|---|-------|---|---|
| <b>NON-CURRENT ASSETS</b>                       |       |   |   |
| Property, plant and equipment                   | 9     | 2,284                                     | 3,324                                       |
| Right-of-use assets                             |       | 1,188                                     | 1,555                                       |
| Intangible assets                               |       | 7,631                                     | 7,678                                       |
| Other financial assets                          | 10    | 5,712                                     | 5,747                                       |
| <b>Total non-current assets</b>                 |       | <b>16,815</b>                             | 18,304                                      |
| <b>CURRENT ASSETS</b>                           |       |   |   |
| Inventories                                     |       | 616                                       | –   |
| Trade receivables                               | 11    | 1,471                                     | 52,323                                      |
| Prepayments, other receivables and other assets |       | 17,116                                    | 16,876                                      |
| Restricted bank balances                        | 12    | 650                                       | 653   |
| Cash and cash equivalents                       | 12    | 183,038                                   | 140,324                                     |
| <b>Total current assets</b>                     |       | <b>202,891</b>                            | 210,176                                     |
| <b>CURRENT LIABILITIES</b>                      |       |   |   |
| Trade payables                                  | 13    | 5,382                                     | 15,363                                      |
| Other payables and accruals                     |       | 7,818                                     | 10,087                                      |
| Contract liabilities                            |       | 1,310                                     | 1,246                                       |
| Interest-bearing bank borrowings                |       | 43,530                                    | 36,560                                      |
| Lease liabilities                               |       | 696                                       | 874   |
| <b>Total current liabilities</b>                |       | <b>58,736</b>                             | 64,130                                      |
| <b>NET CURRENT ASSETS</b>                       |       | <b>144,155</b>                            | 146,046                                     |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>    |       | <b>160,970</b>                            | 164,350                                     |



## Interim Condensed Consolidated Statement of Financial Position

30 June 2024

|  | Notes | 30 June<br>2024<br>(Unaudited)<br>USD'000 | 31 December<br>2023<br>(Audited)<br>USD'000 |
|--|-------|---|---|
| <b>NON-CURRENT LIABILITIES</b>                     |       |   |   |
| Contract liabilities                               |       | 14,142                                    | 14,079                                      |
| Interest-bearing bank borrowings                   |       | 21,424                                    | 27,847                                      |
| Lease liabilities                                  |       | 534                                       | 731   |
| Deferred tax liabilities                           |       | 2,063                                     | 2,064                                       |
| <b>Total non-current liabilities</b>               |       | <b>38,163</b>                             | 44,721                                      |
| <b>Net assets</b>                                  |       | <b>122,807</b>                            | 119,629                                     |
| <b>EQUITY</b>                                      |       |   |   |
| <b>Equity attributable to owners of the parent</b> |       |   |   |
| Share capital                                      | 14    | 19  | 19  |
| Treasury shares                                    | 14    | (8,869)                                   | (9,223)                                     |
| Reserves   |       | 132,043                                   | 129,192                                     |
|  |       | <b>123,193</b>                            | 119,988                                     |
| Non-controlling interests                          |       | (386)                                     | (359)                                       |
| <b>Total equity</b>                                |       | <b>122,807</b>                            | 119,629                                     |

Jingsong Wang

Director

Yiping Rong

Director

# Interim Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2024

|   | Attributable to owners of the parent |                 |                |                  |                               |                     |           | Non-controlling interests | Total   |
|---|--------------------------------------|-----------------|----------------|------------------|-------------------------------|---------------------|-----------|---------------------------|---------|
|   | Share capital                        | Treasury shares | Share premium* | Capital Reserve* | Exchange fluctuation reserve* | Accumulated losses* | Sub-total |                           |         |
|   | USD'000                              | USD'000         | USD'000        | USD'000          | USD'000                       | USD'000             | USD'000   | USD'000                   | USD'000 |
| As at 1 January 2024 (audited)                            | 19                                   | (9,223)         | 826,960        | 11,764           | 1,772                         | (711,304)           | 119,988   | (359)                     | 119,629 |
| Profit for the period                                     | -                                    | -               | -              | -                | -                             | 1,424               | 1,424     | (27)                      | 1,397   |
| Other comprehensive profit for the period:                |                                      |                 |                |                  |                               |                     |           |                           |         |
| Exchange differences on translation of foreign operations | -                                    | -               | -              | -                | 311                           | -                   | 311       | -                         | 311     |
| Total comprehensive profit for the period                 | -                                    | -               | -              | -                | 311                           | 1,424               | 1,735     | (27)                      | 1,708   |
| Share-based payments                                      | -                                    | -               | -              | 1,470            | -                             | -                   | 1,470     | -                         | 1,470   |
| Cancellation of shares                                    | -                                    | 354             | -              | (354)            | -                             | -                   | -         | -                         | -       |
| At 30 June 2024 (unaudited)                               | 19                                   | (8,869)         | 826,960        | 12,880           | 2,083                         | (709,880)           | 123,193   | (386)                     | 122,807 |

|   | Attributable to owners of the parent |                 |                |                  |                               |                     |           | Non-controlling interests | Total   |
|---|--------------------------------------|-----------------|----------------|------------------|-------------------------------|---------------------|-----------|---------------------------|---------|
|   | Share capital                        | Treasury shares | Share premium* | Capital Reserve* | Exchange fluctuation reserve* | Accumulated losses* | Sub-total |                           |         |
|   | USD'000                              | USD'000         | USD'000        | USD'000          | USD'000                       | USD'000             | USD'000   | USD'000                   | USD'000 |
| As at 1 January 2023 (audited)                            | 19                                   | (8,869)         | 826,960        | 7,823            | 994                           | (734,101)           | 92,826    | (325)                     | 92,501  |
| Profit for the period                                     | -                                    | -               | -              | -                | -                             | 2,922               | 2,922     | (8)                       | 2,914   |
| Other comprehensive profit for the period:                |                                      |                 |                |                  |                               |                     |           |                           |         |
| Exchange differences on translation of foreign operations | -                                    | -               | -              | -                | 2,085                         | -                   | 2,085     | -                         | 2,085   |
| Total comprehensive profit for the period                 | -                                    | -               | -              | -                | 2,085                         | 2,922               | 5,007     | (8)                       | 4,999   |
| Share-based payments                                      | -                                    | -               | -              | 2,861            | -                             | -                   | 2,861     | -                         | 2,861   |
| At 30 June 2023 (unaudited)                               | 19                                   | (8,869)         | 826,960        | 10,684           | 3,079                         | (731,179)           | 100,694   | (333)                     | 100,361 |

\* These reserve accounts comprise the consolidated reserves of USD132,043,000 (31 December 2023: USD129,192,000) in the interim condensed consolidated statement of financial position.

# Interim Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2024

|  | Notes | 2024<br>(Unaudited)<br>USD'000 | 2023<br>(Unaudited)<br>USD'000 |
|--|-------|--------------------------------|--------------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                    |       |                                |                                |
| Profit before tax  |       | 1,724                          | 2,903                          |
| Adjustments for:   |       |                                |                                |
| Finance costs  |       | 1,559                          | 2,347                          |
| Foreign exchange gains/(losses), net                           |       | (191)                          | 1,883                          |
| Bank interest income   |       | (3,140)                        | (2,722)                        |
| Gain on disposal of right-of-use assets                        |       | –                              | (21)                           |
| Share-based payment expenses                                   | 15    | 662                            | 2,861                          |
| Depreciation of property, plant and equipment                  | 9     | 1,141                          | 1,463                          |
| Depreciation of right-of-use assets                            |       | 573                            | 690                            |
| Amortisation of intangible assets                              |       | 56                             | 301                            |
|  |       | 2,384                          | 9,705                          |
| (Increase)/decrease in inventories                             |       | (616)                          | 44                             |
| Decrease/(increase) in trade receivables                       |       | 50,860                         | (53)                           |
| Decrease in prepayments, other receivables<br>and other assets |       | 692                            | 1,151                          |
| Decrease in trade payables                                     |       | (10,276)                       | (6,235)                        |
| Increase/(decrease) in contract liabilities                    |       | 127                            | (661)                          |
| Decrease in other payables and accruals                        |       | (763)                          | (2,075)                        |
| Cash generated from operations                                 |       | 42,408                         | 1,876                          |
| Income tax paid  |       | (328)                          | –                              |
| Net cash flows generated from operating activities             |       | 42,080                         | 1,876                          |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                    |       |                                |                                |
| Interest received  |       | 3,140                          | 2,722                          |
| Purchases of property, plant and equipment                     |       | (87)                           | (1,543)                        |
| Purchase of intangible assets                                  |       | (11)                           | (73)                           |
| Disposal of property, plant and equipment                      |       | 5                              | 13,776                         |
| Net cash flows generated from investing activities             |       | 3,047                          | 14,882                         |



## Interim Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2024

|   | Notes | 2024<br>(Unaudited)<br>USD'000 | 2023<br>(Unaudited)<br>USD'000 |
|---|-------|--------------------------------|--------------------------------|
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>   |       |                                |                                |
| New bank loans  |       | 5,654                          | 1,514                          |
| Interest paid   |       | (1,537)                        | (2,151)                        |
| Repayment of bank loans   |       | (5,106)                        | (5,569)                        |
| Principal portion of lease liabilities  |       | (581)                          | (710)                          |
| Interest portion of lease liabilities   |       | (32)                           | (49)                           |
| Net cash flows used in financing activities   |       | (1,602)                        | (6,965)                        |
| Net increase in cash and cash equivalents   |       | 43,525                         | 9,793                          |
| Cash and cash equivalents at beginning of period  |       | 140,324                        | 161,705                        |
| Effect of foreign exchange rate changes, net  |       | (811)                          | (2,159)                        |
| Cash and cash equivalents at end of period  |       | 183,038                        | 169,339                        |
| <b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>  |       |                                |                                |
| Cash and cash equivalents as stated in the consolidated statement of financial position             | 12    | 183,038                        | 179,339                        |
| Time deposits with original maturity of more than three months but less than one year when acquired | 12    | -                              | (10,000)                       |
| Cash and cash equivalents as stated in the consolidated statement of cash flows                     |       | 183,038                        | 169,339                        |

# Notes to Interim Condensed Consolidated Financial Information

30 June 2024

## 1. CORPORATE INFORMATION

The Company is a limited liability company incorporated in the Cayman Islands on 20 July 2016. The registered office address of the Company is P.O. Box 472, 2nd Floor, 103 South Church Street, George Town, Grand Cayman KY1-1106, Cayman Islands.

The Company is an investment holding company. During the period, the Company's subsidiaries were engaged in the business of developing innovative therapeutics in the fields of immuno-oncology and immunology diseases.

### 2.1 BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2024 has been prepared in accordance with IAS 34 Interim Financial Reporting. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2023.

### 2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2023, except for the adoption of the following revised International Financial Reporting Standards ("IFRSs") for the first time for the current period's financial information.

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

The adoption of the above revised standards has had no significant financial effect on these financial statements.



## Notes to Interim Condensed Consolidated Financial Information

30 June 2024

**3. OPERATING SEGMENT INFORMATION****Operating segment information**

For management purposes, the Group has only one reportable operating segment, which is the development of innovative therapeutics in the fields of immuno-oncology and immunology diseases. Since this is the only reportable operating segment of the Group, no further operating segment analysis thereof is presented.

**Geographical information***(a) Revenue from external customers*

|                | For the six months ended 30 June |                                |
|----------------|----------------------------------|--------------------------------|
|                | 2024<br>(Unaudited)<br>USD'000   | 2023<br>(Unaudited)<br>USD'000 |
| United States  | 21,370                           | 25,497                         |
| Mainland China | 2,302                            | 15,153                         |
| Europe         | 23                               | 131                            |
| Others         | 6                                | 215                            |
| <b>Total</b>   | <b>23,701</b>                    | <b>40,996</b>                  |

The revenue information above is based on the locations of the customers.

*(b) Non-current assets*

|                | 30 June                        | 31 December                  |
|----------------|--------------------------------|------------------------------|
|                | 2024<br>(Unaudited)<br>USD'000 | 2023<br>(Audited)<br>USD'000 |
| Europe         | 8,078                          | 8,157                        |
| Mainland China | 1,936                          | 3,276                        |
| United States  | 1,089                          | 1,124                        |
| <b>Total</b>   | <b>11,103</b>                  | <b>12,557</b>                |

Except for the intangible asset information which is based on the countries of the respective subsidiaries owning the assets, other non-current asset information above is based on the locations of the assets and excludes financial instruments.



## Notes to Interim Condensed Consolidated Financial Information

30 June 2024

**3. OPERATING SEGMENT INFORMATION** *(Continued)***Information about major customers**

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

|              | For the six months ended 30 June |                                |
|--------------|----------------------------------|--------------------------------|
|              | 2024<br>(Unaudited)<br>USD'000   | 2023<br>(Unaudited)<br>USD'000 |
| Customer A   | 19,000                           | –                              |
| Customer B   | 133                              | 7,553                          |
| Customer C   | –                                | 25,000                         |
| Customer D   | –                                | 7,284                          |
| <b>Total</b> | <b>19,133</b>                    | <b>39,837</b>                  |

**4. REVENUE**

An analysis of revenue is as follows:

|                                   | For the six months ended 30 June |                                |
|-----------------------------------|----------------------------------|--------------------------------|
|                                   | 2024<br>(Unaudited)<br>USD'000   | 2023<br>(Unaudited)<br>USD'000 |
| <i>Types of goods or services</i> |                                  |                                |
| – Molecule licence fee            | 20,832                           | 39,498                         |
| – Research service fee            | 2,326                            | 870                            |
| – Technology licence fee          | 543                              | 628                            |
| <b>Total</b>                      | <b>23,701</b>                    | <b>40,996</b>                  |

## Notes to Interim Condensed Consolidated Financial Information

30 June 2024

**4. REVENUE** *(Continued)***Revenue from contracts with customers***(i) Disaggregated revenue information*

|                               | <b>For the six months ended 30 June</b> |             |
|-------------------------------|---|-------------|
|                               | <b>2024</b>                             | 2023        |
|                               | <b>(Unaudited)</b>                      | (Unaudited) |
|                               | <b>USD'000</b>                          | USD'000     |
| Timing of revenue recognition |   |             |
| <i>At a point in time</i>     |   |             |
| – Molecule licence fee        | <b>20,832</b>                           | 39,498      |
| – Research service fee        | <b>436</b>                              | 61          |
| <i>Over time</i>              |   |             |
| – Research service fee        | <b>1,890</b>                            | 809         |
| – Technology licence fee      | <b>543</b>                              | 628         |
| <b>Total</b>                  | <b>23,701</b>                           | 40,996      |

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of reporting period:

|                        | <b>For the six months ended 30 June</b> |             |
|------------------------|---|-------------|
|                        | <b>2024</b>                             | 2023        |
|                        | <b>(Unaudited)</b>                      | (Unaudited) |
|                        | <b>USD'000</b>                          | USD'000     |
| Technology licence fee | <b>201</b>                              | 588         |
| <b>Total</b>           | <b>201</b>                              | 588         |

*(ii) Performance obligations*

Information about the Group's performance obligations is summarised below:

*Molecule licence fee*

The performance obligation is satisfied at a point in time as the customers obtain rights to use the underlying licences and payment is generally due within 10 business days from the date of billing.

## Notes to Interim Condensed Consolidated Financial Information

30 June 2024

### 4. REVENUE *(Continued)*

#### Revenue from contracts with customers *(Continued)*

##### (ii) Performance obligations *(Continued)*

###### *Technology licence fee*

The performance obligation is satisfied over time throughout the licence period as the customers are granted rights to access know-hows which the Group has exclusive rights to use. Upfront payment is generally due within 10 days after the effective date of contract, whereas other payment is generally due within 30 to 45 days from the date of billing.

###### *Research service fee*

The performance obligation is satisfied at a point in time when research results are delivered to and accepted by the customer. For certain type of the contracts, the performance obligation is satisfied over the service period based on the stage of completion of the contract. The payment is generally due within 30 days from the date of billing.

The amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 30 June are as follows:

|   | <b>For the six months ended 30 June</b> |             |
|---|---|-------------|
|   | <b>2024</b>                             | 2023        |
|   | <b>(Unaudited)</b>                      | (Unaudited) |
|   | <b>USD'000</b>                          | USD'000     |
| Amounts expected to be recognised as revenue: |   |             |
| – Within one year                             | <b>437</b>                              | 598         |
| – After one year                              | <b>162</b>                              | 648         |
| <b>Total</b>                                  | <b>599</b>                              | 1,246       |

The above remaining performance obligations mainly relate to the contracts of licenses and research service fee. The amounts expected to be recognised after one year relate to performance obligations that will be satisfied in the coming years. The amounts disclosed above do not include variable consideration which is constrained.



## Notes to Interim Condensed Consolidated Financial Information

30 June 2024

**5. PROFIT BEFORE TAX**

The Group's profit/(loss) before tax is arrived at after (charging)/crediting:

|   | Notes | For the six months ended 30 June |                                |
|---|-------|----------------------------------|--------------------------------|
|   |       | 2024<br>(Unaudited)<br>USD'000   | 2023<br>(Unaudited)<br>USD'000 |
| Cost of sales (excluding employee benefit expense)            |       | 874                              | 23                             |
| Depreciation of property, plant and equipment                 | 9     | 1,141                            | 1,463                          |
| Depreciation of right-of-use assets                           |       | 573                              | 690                            |
| Amortisation of intangible assets                             |       | 56                               | 301                            |
| Employee benefit expense (including directors' remuneration): |       |                                  |                                |
| – Wages and salaries  |       | 11,904                           | 10,928                         |
| – Pension scheme contributions*                               |       | 645                              | 589                            |
| – Share-based payment expenses                                |       | 662                              | 2,861                          |
| Auditors' remuneration  |       | 164                              | 252                            |
| Lease expenses arising from short-term leases                 |       | 52                               | 168                            |
| Foreign exchange (gains)/losses, net                          |       | (191)                            | 1,883                          |

\* There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.

**6. INCOME TAX EXPENSES**

The Group is subject to income tax on an entity basis on profits arising in or derived from the countries/jurisdictions in which members of the Group are domiciled and operate.

**Cayman Islands**

Pursuant to the rules and regulations of the Cayman Islands, the Group is not subject to any income tax in the Cayman Islands.

**British Virgin Islands**

Pursuant to the rules and regulations of the British Virgin Islands ("BVI"), the Group is not subject to any income tax in the BVI.

**Hong Kong**

Hong Kong profits tax has been provided for at the rate of 16.5% (2023: 16.5%) on the estimated assessable profits arising in Hong Kong during the period, unless such profits are taxable at the half-rate of 8.25% (2023: 8.25%) that may apply for the first HK\$2,000,000 (2023: HK\$2,000,000) of the assessable profits.

## Notes to Interim Condensed Consolidated Financial Information

30 June 2024

### 6. INCOME TAX EXPENSES *(Continued)*

#### Mainland China

Pursuant to the Corporate Income Tax Law of the PRC and the respective regulations, the subsidiaries which operate in Mainland China are subject to corporate income tax ("CIT") at a rate of 25% (2023: 25%) on the taxable income, except the subsidiary, Harbour BioMed (Shanghai) Co., Ltd., which was certified as a High and New Technology Enterprise in 2020 and was entitled to a preferential CIT rate of 15% (2023: 15%), Harbour BioMed (Suzhou) Co., Ltd., which was certified as a High and New Technology Enterprise in 2021 and was entitled to a preferential CIT rate of 15% (2023: 15%).

#### Netherlands

The subsidiaries which operate in the Netherlands are subject to profits tax at a rate of 15% (2023: 15%) for the first EUR200,000 (2023: EUR200,000) of taxable income, and the excess amount is subject to corporate income tax at a rate of 25.8% (2023: 25.8%) during the period.

#### United States

The subsidiaries which operate in the US are subject to federal income tax at a rate of 21% (2023: 21%) and the Massachusetts state income tax at a rate of 8% (2023: 8%) on the taxable income.

The major components of income tax expense of the Group are as follows:

|                                  | <b>For the six months ended 30 June</b> |             |
|----------------------------------|---|-------------|
|                                  | <b>2024</b>                             | 2023        |
|                                  | <b>(Unaudited)</b>                      | (Unaudited) |
|                                  | <b>USD'000</b>                          | USD'000     |
| Current income tax               | <b>(331)</b>                            | –           |
| Deferred income tax              | <b>4</b>                                | 11          |
| Total tax expense for the period | <b>(327)</b>                            | 11          |

### 7. DIVIDENDS

No dividend has been paid or declared by the Company and its subsidiaries during the period (six months ended 30 June 2023: Nil).

## Notes to Interim Condensed Consolidated Financial Information

30 June 2024

**8. EARNING PER SHARE**

The calculation of the basic earnings per share amounts is based on the earnings attributable to the owners of the parent and the weighted average number of ordinary shares in issue excluding the treasury shares during the period.

The calculation of the diluted earnings per share amounts is based on the profit for the period attributable to ordinary equity holders of the parent. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the period, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

The calculations of basic and diluted earnings per share are based on:

|  | For the six months ended 30 June |                     |
|--|----------------------------------|---------------------|
|  | 2024<br>(Unaudited)              | 2023<br>(Unaudited) |
| <b>Earnings</b>  |                                  |                     |
| Earnings attributable to owners of the parent (USD'000)  | 1,424                            | 2,922               |
| <b>Shares</b>  |                                  |                     |
| Weighted average number of ordinary shares in issue during the period used in the basic earnings per share calculation | 734,771,325                      | 732,387,673         |
| Effect of dilution – weighted average number of ordinary shares:   |                                  |                     |
| Restricted share units   | 4,166,769                        | 7,463,448           |
| Option/Share Award*  | 71,612                           | –                   |
|  | <b>739,009,706</b>               | 739,851,121         |
| Total  |                                  |                     |
| Basic earnings per share (USD per share)   | 0.00                             | 0.00                |
| Diluted earnings per share (USD per share)   | 0.00                             | 0.00                |

\* Certain batch of the option/share award were not assumed to be exercised because they were antidilutive in the period.

**9. PROPERTY, PLANT AND EQUIPMENT**

During the six months ended 30 June 2024, the Group acquired assets with a cost of USD87 thousand (six months ended 30 June 2023: USD718 thousand).



## Notes to Interim Condensed Consolidated Financial Information

30 June 2024

**10. OTHER FINANCIAL ASSETS**

|   | 30 June 2024      |   | 31 December 2023 |  |
|---|-------------------|---|------------------|--|
|   | Categories        | Carrying amount<br>USD'000<br>(Unaudited) | Categories       | Carrying amount<br>USD '000<br>(Audited) |
| <b>Assets:</b>  |                   |   |                  |  |
| <b>Debt instruments<br/>(including hybrid contracts):</b> |                   |   |                  |  |
| Unlisted equity investments                               | FVPL <sup>1</sup> | 5,712                                     | FVPL             | 5,747                                    |
| <b>Total</b>  |                   | <b>5,712</b>                              |                  | <b>5,747</b>                             |

FVPL<sup>1</sup>: Financial assets or financial liabilities at fair value through profit or loss.

The unlisted equity investments represent the Group's equity interests in unlisted PRC companies.

On 10 June 2021, the Group subscribed 590,625 shares of Shanghai NK Cells Technology Limited ("NK") and held 15.7895% interests in NK. The consideration of the subscription was RMB32,660,000 (equivalent to USD5.1 million) in the form of cash and RMB3,400,000 (equivalent to USD0.5 million) in the form of technology sublicense agreements.

The investment in NK is redeemable ordinary shares with preferential rights. The Group has the right to require and demand to redeem from the investee all of the shares held by the Group at a guaranteed predetermined fixed amount upon redemption events. The investment is accounted for as a debt instrument and is measured as a financial asset at fair value through profit or loss.

As at 30 June 2024, the interests of the Group held in NK was diluted to 11.75% when NK issued certain series A+ redeemable shares to an investor.

**11. TRADE RECEIVABLES**

|                  | 30 June<br>2024<br>(Unaudited)<br>USD'000 | 31 December<br>2023<br>(Audited)<br>USD'000 |
|------------------|---|---|
| Within 6 months  | 1,471                                     | 52,323                                      |
| Less: impairment | –   | –   |
| <b>Total</b>     | <b>1,471</b>                              | <b>52,323</b>                               |

## Notes to Interim Condensed Consolidated Financial Information

30 June 2024

**11. TRADE RECEIVABLES** *(Continued)*

The Group's trading terms with its customers are based on the payment schedule of the contracts with normal credit terms of 10 to 45 days from the day of billing.

The ageing of trade receivables as at the end of the reporting period, based on the date of invoice or the date of the service rendered, is less than three months and the expected credit loss is minimal.

Trade receivables are non-interest-bearing. The carrying amounts of trade receivables approximate to their fair values.

**12. CASH AND CASH EQUIVALENTS**

|                              | <b>30 June<br/>2024<br/>(Unaudited)<br/>USD'000</b> | 31 December<br>2023<br>(Audited)<br>USD'000 |
|------------------------------|---|---|
| Cash and bank balances       | <b>183,688</b>                                      | 140,977                                     |
| Less:                        |   |   |
| Restricted bank balances (a) | <b>650</b>  | 653   |
| Cash and cash equivalents    | <b>183,038</b>                                      | 140,324                                     |
| Denominated in:              |   |   |
| USD                          | <b>158,973</b>                                      | 103,778                                     |
| RMB                          | <b>22,823</b>                                       | 35,143                                      |
| Others                       | <b>1,242</b>  | 1,403                                       |
| Total                        | <b>183,038</b>                                      | 140,324                                     |

(a) As at 30 June 2024, cash in bank amounting to USD650,000 (31 December 2023: USD653,000) is restricted.

The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business. The remittance of funds out of Mainland China is subject to exchange restrictions imposed by the PRC government.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Time deposits are made for varying periods of between seven days and twelve months depending on the immediate cash requirements of the Group and earn interest at the respective short-term time deposit rates. The bank balances and time deposits are deposited with creditworthy banks with no recent history of default.

## Notes to Interim Condensed Consolidated Financial Information

30 June 2024

**13. TRADE PAYABLES**

An analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

|                | <b>30 June<br/>2024<br/>(Unaudited)<br/>USD'000</b> | 31 December<br>2023<br>(Audited)<br>USD'000 |
|----------------|---|---|
| Within 1 month | <b>4,878</b>  | 14,864                                      |
| 1-3 months     | <b>279</b>  | 256   |
| 3-6 months     | <b>191</b>  | 234   |
| 6-12 months    | <b>34</b>   | 9   |
| Total          | <b>5,382</b>  | 15,363                                      |

The trade payables are non-interest-bearing and are normally settled on terms of 1 to 3 months.

**14. SHARE CAPITAL AND TREASURY SHARES****Issued and fully paid**

|   | <b>30 June 2024<br/>(Unaudited)</b>  |                                  |
|---|--------------------------------------|----------------------------------|
|   | <b>Number of<br/>shares in issue</b> | <b>Share capital<br/>USD'000</b> |
| Ordinary shares of USD0.000025 each*    | <b>768,876,410</b>                   | <b>19</b>                        |
| Restricted shares of USD0.000025 each** | -                                    | -                                |
| Total                                   | <b>768,876,410</b>                   | <b>19</b>                        |

|   | 31 December 2023<br>(Audited) |                          |
|---|-------------------------------|--------------------------|
|   | Number of<br>shares in issue  | Share capital<br>USD'000 |
| Ordinary shares of USD0.000025 each*    | 764,915,630                   | 19                       |
| Restricted shares of USD0.000025 each** | 3,513,280                     | -                        |
| Total                                   | 768,428,910                   | 19                       |

\* This includes treasury shares as set out in the table below.

\*\* Amount less than USD1,000.



## Notes to Interim Condensed Consolidated Financial Information

30 June 2024

**14. SHARE CAPITAL AND TREASURY SHARES** *(Continued)***Issued and fully paid** *(Continued)*

Movements in the share capital and treasury shares were as follows:

|                                 | Number of shares in issue |                 |                   |             | Share capital<br>USD'000 |
|---------------------------------|---------------------------|-----------------|-------------------|-------------|--------------------------|
|                                 | Ordinary shares           | Treasury shares | Restricted shares | Total       |                          |
| At 31 December 2022 (audited)   | 732,152,270               | 32,229,800      | 3,547,840         | 767,929,910 | 19                       |
| Ordinary share issued           | 499,000                   | –               | –                 | 499,000     | –                        |
| Restricted shares vested        | 3,513,280                 | –               | (3,513,280)       | –           | –                        |
| Forfeiture of restricted shares | –                         | 34,560          | (34,560)          | –           | –                        |
| Repurchase of ordinary shares   | (1,750,000)               | 1,750,000       | –                 | –           | –                        |
| At 31 December 2023 (audited)   | 734,414,550               | 34,014,360      | –                 | 768,428,910 | 19                       |
| Ordinary share issued (note 15) | 2,197,500                 | –               | –                 | 2,197,500   | –                        |
| Cancellation of shares          | –                         | (1,750,000)     | –                 | (1,750,000) | –                        |
| At 30 June 2024 (unaudited)     | 736,612,050               | 32,264,360      | –                 | 768,876,410 | 19                       |

**15. SHARE-BASED PAYMENTS****2016 Equity Incentive Plan**

On 11 November 2016, the Company adopted the 2016 Equity Incentive Plan (the “2016 Plan”) for the purpose of providing incentives and rewards to eligible participants who have contributed or will contribute to the Group. Under the 2016 Plan, the Company initially reserved an aggregate of 1,500,000 ordinary shares of par value of USD0.001 each for issuance.

On 11 November 2016, the Company issued and granted an aggregate of 1,263,200 restricted shares to its founders and certain employees.

The vesting schedule pursuant to the grant agreements is as follows:

- 1) On 7 December 2016 (the “Vesting Commencement Date 1”), 10% of the total number of restricted shares granted shall vest.
- 2) So long as a grantee’s continuous status as a service provider has not yet terminated, 22.5% of the total number of restricted shares granted shall vest on the first anniversary of the Vesting Commencement Date 1.
- 3) So long as a grantee’s continuous status as a service provider has not yet terminated, the remaining 67.5% of the total number of restricted shares granted hereunder shall vest monthly in equal instalments over the next three consecutive years from the first anniversary of the Vesting Commencement Date 1.

## Notes to Interim Condensed Consolidated Financial Information

30 June 2024

### 15. SHARE-BASED PAYMENTS *(Continued)*

#### 2016 Equity Incentive Plan *(Continued)*

The Company was incorporated on 20 July 2016. On the grant date of the restricted shares, the Company had not started business operation and only had issued one ordinary share with par value of USD0.001. The fair value of the restricted shares at that date approximates to the par value, which is minimal.

For the year ended on 31 December 2019, one founder and two other employees resigned from the Group and the 44,625 unvested restricted shares granted to them were forfeited.

On 31 July 2020, the Company granted 1,742,862 restricted shares and 243,878 restricted share units to the Group's employees, directors and consultants under the 2016 Plan. The fair value of the restricted shares and restricted share units on the grant date was US\$22.06 per share/per unit. Among the 1,742,862 restricted shares:

- (a) all the restrictions with respect to 425,734 shares are removed on the grant date;
- (b) 1,257,024 shares are subject to the vesting schedule as follows:
  - 1) restrictions with respect to 30% of the restricted shares shall be removed on the first anniversary of the grant date;
  - 2) restrictions with respect to 30% of the restricted shares shall be removed on the second anniversary of the grant date; and
  - 3) restrictions with respect to 40% of the restricted shares shall be removed on the third anniversary of the grant date;
- (c) 22,552 shares are subject to the vesting schedule as follows:
  - 1) restrictions with respect to 7,552 restricted shares shall be removed on the grant date;
  - 2) restrictions with respect to 4,500 restricted shares shall be removed on the first anniversary of the grant date;
  - 3) restrictions with respect to 4,500 restricted shares shall be removed on the second anniversary of the grant date; and
  - 4) restrictions with respect to 6,000 restricted shares shall be removed on the third anniversary of the grant date;

and

## Notes to Interim Condensed Consolidated Financial Information

30 June 2024

### 15. SHARE-BASED PAYMENTS *(Continued)*

#### 2016 Equity Incentive Plan *(Continued)*

(d) 37,552 shares are subject to the vesting schedule as follows:

- 1) restrictions with respect to 7,552 restricted shares shall be removed on the grant date;
- 2) restrictions with respect to 9,000 restricted shares shall be removed on the first anniversary of the grant date;
- 3) restrictions with respect to 9,000 restricted shares shall be removed on the second anniversary of the grant date; and
- 4) restrictions with respect to 12,000 restricted shares shall be removed on the third anniversary of the grant date.

The vesting schedule of the 243,878 restricted share units granted on 31 July 2020 is as follows:

- 1) 30% of shares subject to the restricted shares units shall vest on the first anniversary of the date on which the shares of the Company are first listed on any internationally recognised stock exchange (including but not limited to The Stock Exchange of Hong Kong Limited, The New York Stock Exchange, Shanghai Stock Exchange and Shenzhen Stock Exchange) (the “Vesting Commencement Date 2”);
- 2) 30% of shares subject to the restricted shares units shall vest on the second anniversary of the Vesting Commencement Date 2; and
- 3) 40% of shares subject to the restricted shares units shall vest on the third anniversary of the Vesting Commencement Date 2.

For the above restricted shares and restricted share units granted, the employees, directors and consultants shall remain as service providers during the vesting periods.

On 20 October 2020, the Company granted 25,585 restricted shares and 7,536 restricted share units to the Group’s ex-employees. On 25 December 2020, the Company granted 21,600 (after share subdivision) restricted share units to an ex-employee. On 15 June 2021, the Company granted 1,728,000 (after share subdivision) restricted share to an ex-employee. The fair values of the restricted shares and restricted share units granted on 20 October and 25 December 2020 and 15 June 2021 were US\$60.23 (before share subdivision), US\$1.29 and US\$1.18 per share/per unit, respectively. The restricted shares and restricted share units granted to the ex-employees are as compensations for their past services provided to the Group.



## Notes to Interim Condensed Consolidated Financial Information

30 June 2024

### 15. SHARE-BASED PAYMENTS *(Continued)*

#### 2016 Equity Incentive Plan *(Continued)*

On 20 July 2021, the Company granted 7,600,000 restricted shares to a Group's employee under the 2016 Plan, the vesting schedule is as follows:

- 1) restrictions with respect to 30% of the restricted shares shall be removed on the first anniversary of the grant date;
- 2) restrictions with respect to 30% of the restricted shares shall be removed on the second anniversary of the grant date; and
- 3) restrictions with respect to 40% of the restricted shares shall be removed on the third anniversary of the grant date;

On 12 October 2021, the Company granted 3,800,000 restricted shares to a Group's employee under the 2016 Plan, the vesting schedule is as follows:

- 1) restrictions with respect to 30% of the restricted shares shall be removed on the first anniversary of the employees on board date;
- 2) restrictions with respect to 30% of the restricted shares shall be removed on the second anniversary of the employees on board date; and
- 3) restrictions with respect to 40% of the restricted shares shall be removed on the third anniversary of the employees on board date;

On 7 November 2022, the Company granted 7,600,000 (after share subdivision) restricted share units to a Group's employee under the 2016 Plan, the vesting schedule is as follows:

- 1) restrictions with respect to 30% of the restricted share units shall be removed on 1 December 2022;
- 2) restrictions with respect to 30% of the restricted share units shall be removed on 1 December 2023; and
- 3) restrictions with respect to 40% of the restricted share units shall be removed on 1 December 2024;



## Notes to Interim Condensed Consolidated Financial Information

30 June 2024

**15. SHARE-BASED PAYMENTS** *(Continued)***2016 Equity Incentive Plan** *(Continued)*

On 10 December 2022, the Company granted a total of 1,510,400 (after share subdivision) restricted share units to two certain eligible persons under the 2016 Plan, of which 1,208,320 restricted shares will be vested in part in 2023, the remaining of 302,080 restricted shares will be vested is as follows:

- 1) restrictions with respect to 30% of the restricted share units shall be removed on 1 March 2023;
- 2) restrictions with respect to 30% of the restricted share units shall be removed on 1 March 2024; and
- 3) restrictions with respect to 40% of the restricted share units shall be removed on 1 March 2025;

The fair values of the restricted shares and restricted share units granted on 20 July 2021, 12 October 2021, 7 November 2022, and 10 December 2022 were determined by the stock price on the date of grant.

In this period, 1 employee resigned from the Group and 3,040,000 unvested restricted share units (after share subdivision) were forfeited (six months ended 30 June 2023: 13 employees resigned from the Group and 34,560 unvested restricted shares (after share subdivision) and 239,040 unvested restricted share units (after share subdivision) granted to them were forfeited).

The following table illustrates the number of the outstanding restricted shares and restricted share units under the 2016 Plan during the period:

|   | 2024 Jan-Jun | 2023 Jan-Jun |
|---|--------------|--------------|
| <b>Restricted shares:</b>                                       |              |              |
| At the beginning of the period                                  | –            | 3,547,840    |
| Forfeited during the period                                     | –            | (34,560)     |
| Reclassification to ordinary shares of vested restricted shares | –            | –            |
| At the end of the period  | –            | 3,513,280    |

## Notes to Interim Condensed Consolidated Financial Information

30 June 2024

**15. SHARE-BASED PAYMENTS** *(Continued)***2016 Equity Incentive Plan** *(Continued)*

|                                | 2024 Jan-Jun       | 2023 Jan-Jun |
|--------------------------------|--------------------|--------------|
| <b>Restricted share units:</b> |                    |              |
| At the beginning of the period | <b>3,251,456</b>   | 8,726,560    |
| Forfeited during the period    | <b>(3,040,000)</b> | (239,040)    |
| Vested during the period       | <b>(90,624)</b>    | (815,616)    |
| At the end of the period       | <b>120,832</b>     | 7,671,904    |

The Group reversed share-based payment expenses of USD330,000 in the first half year of 2024 (six months ended 30 June 2023: recognized expense of USD775,000) in relation to the restricted shares and restricted share units under the 2016 Equity Incentive Plan.

**2020 Post-IPO Share Award Scheme**

On 23 November 2020, the Company adopted a Share Award Scheme by a resolution passed by its shareholders ("2020 Post-IPO Share Award Scheme") for the purpose of providing incentives and rewards to eligible participants within the Group who contribute to the success of the Group's operation. The 2020 Post-IPO Share Award Scheme has become effective for the period of 10 years commencing on 10 December 2020. The maximum number of the Company's shares in respect of which options may be granted pursuant to the 2020 Post-IPO Share Award Scheme is 38,394,558 shares, representing approximately 5% of the total issued Shares immediately after the Company's listing on the Stock Exchange.

Pursuant to the rules of the share award scheme, the Company has set up the trust for the purposes of administering the share award scheme and holding the Award Shares before vested and the expiry of the effective trust period. The Company can (i) remit payment to the trust from time to time for the purchase of the Award Shares under the trust deed agreement; (ii) instruct its broker to purchase existing shares in the Company from the market, settle payment and costs and deliver the same to the trustee to hold on trust for the eligible employees; and (iii) allot and issue new shares in the Company to the trustee to hold on trust for the eligible employees.



## Notes to Interim Condensed Consolidated Financial Information

30 June 2024

**15. SHARE-BASED PAYMENTS** *(Continued)***2020 Post-IPO Share Award Scheme** *(Continued)*

On 31 December 2021, the Company granted 7,686,000 share awards to the Group's eligible person under the 2020 Post-IPO Share Award Scheme. The vesting schedule is as follows:

- 1) 50% of awards shall be vested on the first anniversary of the grant date;
- 2) The remaining 50% of awards shall be vested upon the occurrence of the following events (whichever is the earlier to occur):
  - (i) the second anniversary of the grant date, and
  - (ii) the first business day falling after the first anniversary of the grant date but before the second anniversary of the grant date on which the closing price of the share as quoted on the Stock Exchange is HK\$12.38 or more.

The fair values of equity-settled awards granted on 31 December 2021 were estimated as at the date of grant using a binomial model, taking into account of the terms and conditions upon which the options were granted. The following table lists the inputs to the model used:

|                                 | 2020 Post-IPO<br>Share Award<br>Scheme |
|---------------------------------|--|
| Expected dividend yield         | 0                                      |
| Expected volatility             | 40%                                    |
| Risk-free interest rate         | 1.13%                                  |
| Expected life of options (year) | 10                                     |
| Weighted average exercise price | HK\$8.22                               |

On 27 July 2022, the Company granted 3,381,000 restricted shares units to the Group's eligible person under the 2020 Post-IPO Share Award Scheme, of which 155,000 restricted shares units will be vested in four equal batches on each of the date of grant, 31 March 2023, 2024 and 2025, and 2,126,000 restricted shares units will be vested in four equal batches on each of 31 March 2023, 2024, 2025 and 2026, and the remaining 1,100,000 restricted shares units will be vested in four equal batches on each of 11 April 2023, 2024, 2025 and 2026.

On 18 April 2023, the Company granted 527,000 restricted shares units to the Group's eligible person under the 2020 Post-IPO Share Award Scheme, of which 527,000 restricted shares units will be vested in four equal batches on each of 18 April 2024, 2025, 2026 and 2027.

## Notes to Interim Condensed Consolidated Financial Information

30 June 2024

### 15. SHARE-BASED PAYMENTS *(Continued)*

#### 2020 Post-IPO Share Award Scheme *(Continued)*

On 12 January 2024, the Company granted 501,000 restricted shares units to the Group's eligible person under the 2020 Post-IPO Share Award Scheme, of which 501,000 restricted shares units will be vested in four equal batches on each of 31 March 2025, 2026, 2027 and 2028.

On 03 April 2024, the Company granted 4,154,000 restricted shares units to the Group's eligible person under the 2020 Post-IPO Share Award Scheme, of which 4,154,000 restricted shares units will be vested in four equal batches on each of 04 April 2024 and 2025.

The fair values of the restricted share units granted on 27 July 2022, 18 April 2023, 12 January 2024 and 03 April 2024 were determined by the stock price on the date of grant.

In this period, 5 employees (six months ended 30 June 2023: 2) resigned from the Group and 842,500 unvested restricted share units (six months ended 30 June 2023: 18,750 unvested share awards) granted to them under the 2020 Post-IPO Share Award Scheme were forfeited.

The following table illustrates the number of the share awards and restricted share units under the 2020 Post-IPO Share Award Scheme during the period:

|                                | 2024 Jan-Jun | 2023 Jan-Jun |
|--------------------------------|--------------|--------------|
| <b>Share awards:</b>           |              |              |
| At the beginning of the period | –            | 1,904,500    |
| Forfeited during the period    | –            | –            |
| At the end of the period       | –            | 1,904,500    |
| <b>Restricted share units:</b> |              |              |
| At the beginning of the period | 1,964,000    | 3,229,250    |
| Granted during the period      | 4,655,000    | 527,000      |
| Forfeited during the period    | (842,500)    | (18,750)     |
| Vested during the period       | (2,779,250)  | (817,000)    |
| At the end of the period       | 2,997,250    | 2,920,500    |

The Group recognised share-based payment expenses of USD242,000 in the first half year of 2024 (six months ended 30 June 2023: USD594,000).

## Notes to Interim Condensed Consolidated Financial Information

30 June 2024

**15. SHARE-BASED PAYMENTS** *(Continued)***2020 Post-IPO Share Option Scheme**

On 23 November 2020, the Company adopted a Share Option Scheme by a resolution passed by its shareholders (“2020 Post-IPO Share Option Scheme”) for the purpose of providing eligible participants with the opportunity to acquire proprietary interests in the Company and to encourage eligible participants to work towards enhancing the value of the Company and its shares for the benefit of the Company and Shareholders as a whole. The 2020 Post-IPO Share Option Scheme has become effective for the period of 10 years commencing on 10 December 2020. The maximum number of the Company’s shares which may be issued upon exercise of all options to be granted under any other share option scheme of the Company is 76,789,116, representing approximately 10% of the total issued Shares immediately after the Company’s listing on the Stock Exchange. The shares shall be allotted and issued pursuant to the exercise of options.

On 27 July 2022, the Company granted 9,318,000 options to the Group’s eligible person under the 2020 Post-IPO Share option Scheme, of which 465,000 options units will be vested in four equal batches on each of the date of grant, 31 March 2023, 2024 and 2025, and 5,544,000 options will be vested in four equal batches on each of 31 March 2023, 2024, 2025 and 2026, and the remaining 3,309,000 options will be vested in four equal batches on each of 11 April 2023, 2024, 2025 and 2026.

The fair values of options granted on 27 July 2022 were estimated as at the date of grant using a binomial model, taking into account of the terms and conditions upon which the options were granted. The following table lists the inputs to the model used:

|                                 | 2020 Post-IPO<br>Share Option<br>Scheme |
|---------------------------------|---|
| Expected dividend yield         | 0                                       |
| Expected volatility             | 41%                                     |
| Risk-free interest rate         | 2.53%                                   |
| Expected life of options (year) | 10                                      |
| Weighted average exercise price | HK\$5.65, HK\$6.2                       |

On 18 April 2023, the Company granted 39,967,000 options to the Group’s eligible person under the 2020 Post-IPO Share option Scheme, of which 1,284,000 options units will be vested in four equal batches on each of 18 April 2024, 2025, 2026 and 2027, and 23,209,800 options will be vested in three equal batches on each of 18 April 2023, 2024 and 2025, and the remaining 15,473,200 options will be vested on 18 April 2026.



## Notes to Interim Condensed Consolidated Financial Information

30 June 2024

### 15. SHARE-BASED PAYMENTS *(Continued)*

#### 2020 Post-IPO Share Option Scheme *(Continued)*

The fair values of options granted on 18 April 2023 were estimated as at the date of grant using a binomial model, taking into account of the terms and conditions upon which the options were granted. The following table lists the inputs to the model used:

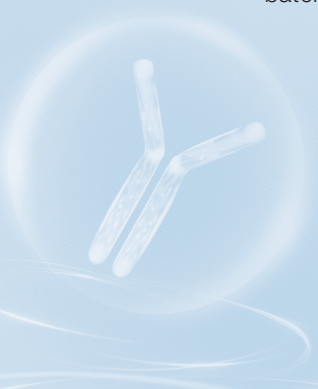
|                                 | 2020 Post-IPO<br>Share Option<br>Scheme |
|---------------------------------|---|
| Expected dividend yield         | 0                                       |
| Expected volatility             | 49%                                     |
| Risk-free interest rate         | 3.80%                                   |
| Expected life of options (year) | 10                                      |
| Weighted average exercise price | HK\$2.41, HK\$6.2                       |

On 12 Jan 2024, the Company granted 1,297,000 options to the Group's eligible person under the 2020 Post-IPO Share option Scheme, of which 1,297,000 options units will be vested in four equal batches on each of 31 March 2025, 2026, 2027 and 2028.

The fair values of options granted on 12 Jan 2024 were estimated as at the date of grant using a binomial model, taking into account of the terms and conditions upon which the options were granted. The following table lists the inputs to the model used:

|                                 | 2020 Post-IPO<br>Share Option<br>Scheme |
|---------------------------------|---|
| Expected dividend yield         | 0                                       |
| Expected volatility             | 42%                                     |
| Risk-free interest rate         | 3.80%                                   |
| Expected life of options (year) | 10                                      |
| Weighted average exercise price | HK\$1.73                                |

On 03 April 2024, the Company granted 8,308,000 options to the Group's eligible person under the 2020 Post-IPO Share option Scheme, of which 8,308,000 options units will be vested in four equal batches on each of 03 April 2024 and 2025.



## Notes to Interim Condensed Consolidated Financial Information

30 June 2024

**15. SHARE-BASED PAYMENTS** *(Continued)***2020 Post-IPO Share Option Scheme** *(Continued)*

The fair values of options granted on 03 April 2024 were estimated as at the date of grant using a binomial model, taking into account of the terms and conditions upon which the options were granted. The following table lists the inputs to the model used:

|                                 | 2020 Post-IPO<br>Share Option<br>Scheme |
|---------------------------------|---|
| Expected dividend yield         | 0                                       |
| Expected volatility             | 42%                                     |
| Risk-free interest rate         | 3.80%                                   |
| Expected life of options (year) | 10                                      |
| Weighted average exercise price | HK\$1.36                                |

In this period, 5 employees (30 June 2023: 27) resigned from the Group and 3,650,300 (six months ended 30 June 2023: USD3,259,900) unvested options granted to them under the 2020 Post-IPO Share Option Scheme were forfeited.

The following table illustrates the number of the share awards and restricted share units under the 2020 Post-IPO Share Option Scheme during the period:

|                                | 2024 Jan-Jun        | 2023 Jan-Jun |
|--------------------------------|---------------------|--------------|
| <b>Options:</b>                |                     |              |
| At the beginning of the period | <b>28,880,200</b>   | 8,975,750    |
| Granted during the period      | <b>9,605,000</b>    | 39,967,000   |
| Forfeited during the period    | <b>(3,650,300)</b>  | (3,259,900)  |
| Vested during the period       | <b>(11,902,750)</b> | (10,004,800) |
| At the end of the period       | <b>22,932,150</b>   | 35,678,050   |

The Group recognised share-based payment expenses of USD750,000 in the first half year of 2024 (six months ended 30 June 2023: USD1,492,000) in relation to the options under the 2020 Post-IPO Share Option Scheme.

## Notes to Interim Condensed Consolidated Financial Information

30 June 2024

### 16. CONTINGENT LIABILITIES

The Group did not have any material contingent liabilities as of the reporting period.

### 17. COMMITMENTS

The Group had the following capital commitments at the end of the reporting period:

|                                   | <b>30 June<br/>2024<br/>(Unaudited)<br/>USD'000</b> | 31 December<br>2023<br>(Audited)<br>USD'000 |
|-----------------------------------|---|---|
| Contracted, but not provided for: |   |   |
| Plant and machinery               | <b>455</b>  | 7,126                                       |

### 18. RELATED PARTY TRANSACTIONS

(a) In addition to the transactions detailed elsewhere in these financial statements, the Group had the following transactions with related parties during the period:

|   | <b>For the six months ended 30 June</b> |                                |
|---|---|--------------------------------|
|   | <b>2024<br/>(Unaudited)<br/>USD'000</b> | 2023<br>(Unaudited)<br>USD'000 |
| Key management personnel service fees paid by the Company |   |                                |
| Dr. Robert Irwin Kamen*                                   | <b>6</b>                                | 12                             |

\* The fees was paid for the services in relation to the scientific advisory board of the Group provided by Dr. Robert Irwin Kamen.



## Notes to Interim Condensed Consolidated Financial Information

30 June 2024

**18. RELATED PARTY TRANSACTIONS** *(Continued)***(b) Outstanding balances with related parties**

The Group had the following balances with related parties:

|                               | <b>30 June<br/>2024<br/>(Unaudited)<br/>USD'000</b> | 31 December<br>2023<br>(Audited)<br>USD'000 |
|-------------------------------|---|---|
| Amounts due from an associate | <b>2,806</b>  | 2,824                                       |
| Amounts due to a director     | <b>6</b>  | 6   |

**(c) Compensation of key management personnel of the Group**

|                                     | <b>For the six months ended 30 June</b> |                                |
|-------------------------------------|---|--------------------------------|
|                                     | <b>2024<br/>(Unaudited)<br/>USD'000</b> | 2023<br>(Unaudited)<br>USD'000 |
| Short term employee benefits        | <b>2,955</b>                            | 2,061                          |
| Contributions to the pension scheme | <b>42</b>                               | 40                             |
| Share-based payment expenses        | <b>415</b>                              | 848                            |
|                                     | <b>3,412</b>                            | 2,949                          |

**19. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS**

The Group's finance department is responsible for determining the policies and procedures for the fair value measurement of financial instruments. At the end of reporting periods, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The directors review the results of the fair value measurement of financial instruments periodically for financial reporting.

The fair values of investments in financial products have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The fair values have been assessed to be approximate to their carrying amounts.

## Notes to Interim Condensed Consolidated Financial Information

30 June 2024

**19. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS** *(Continued)*

The fair values of unlisted equity investments have been estimated by using the back-solve method from the most recent transactions price. Management believes that the estimated fair values resulting from the valuation technique, which are recorded in the consolidated statements of financial position, and the related changes in fair values, which are recorded in profit or loss, are reasonable, and that they were the most appropriate values as at 30 June 2024.

The fair values of lease liabilities have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The fair values have been assessed to be approximate to their carrying amounts.

**Fair value hierarchy**

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

**As at 30 June 2024**

|                          | Fair value measurement using                                  |   |   | Total<br>USD'000 |
|--------------------------|---|---|---|------------------|
|                          | Quoted prices<br>in active<br>markets<br>(Level 1)<br>USD'000 | Significant<br>observable<br>inputs<br>(Level 2)<br>USD'000 | Significant<br>unobservable<br>inputs<br>(Level 3)<br>USD'000 |                  |
| <b>Financial assets:</b> |   |   |   |                  |
| Other financial assets   | –   | –   | 5,712   | 5,712            |

**As at 31 December 2023**

|                          | Fair value measurement using                                  |   |   | Total<br>USD'000 |
|--------------------------|---|---|---|------------------|
|                          | Quoted prices<br>in active<br>markets<br>(Level 1)<br>USD'000 | Significant<br>observable<br>inputs<br>(Level 2)<br>USD'000 | Significant<br>unobservable<br>inputs<br>(Level 3)<br>USD'000 |                  |
| <b>Financial assets:</b> |   |   |   |                  |
| Other financial assets   | –   | –   | 5,747   | 5,747            |

## Notes to Interim Condensed Consolidated Financial Information

30 June 2024

**19. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS** *(Continued)***Fair value hierarchy** *(Continued)*

The movements in fair value measurements within Level 3 during the period are as follows:

|   | <b>2024 Jan-Jun</b><br><b>USD'000</b><br><b>(Unaudited)</b> | 2023 Jan-Jun<br>USD'000<br>(Unaudited) |
|---|---|--|
| At 1 January  | <b>5,747</b>  | 6,357                                  |
| Total gains recognised in the statement of profit or loss | <b>(35)</b>   | (230)                                  |
| At period end   | <b>5,712</b>  | 6,127                                  |

During the period, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities (six months ended 30 June 2023: Nil).

Below is a summary of significant unobservable inputs to the valuation of financial instruments together with a quantitative sensitivity analysis as at 30 June 2024:

|                                       | <b>Valuation<br/>technique</b> | <b>Significant<br/>unobservable<br/>input</b> | <b>Range</b> | <b>Sensitivity of fair value to the input</b>  |
|---------------------------------------|--------------------------------|---|--------------|--|
| Investment in equity investment of NK | back-solve method              | Risk-free interest rate                       | -1%~1%       | 1% increase/(decrease) in risk-free interest rate would result in increase/(decrease) in fair value by USD11,000/(USD11,000)           |
|                                       |                                | Volatility                                    | -1%~1%       | 1% increase/(decrease) in volatility would result in (decrease)/increase in fair value by (USD3,000)/USD3,000                          |
|                                       |                                | Discount of lack of marketability             | -1%~1%       | 1% increase/(decrease) in discount of lack of marketability would result in increase/(decrease) in fair value by USD80,000/(USD80,000) |

**20. EVENTS AFTER THE REPORTING PERIOD**

There are no material events after the reporting period that may have a material impact on the Group's reported financial position at 30 June 2024.



# Definitions

|   |  |
|---|--|
| “associate(s)”  | has the meaning ascribed to it under the Listing Rules   |
| “Audit Committee”                                       | the audit committee of the Board   |
| “BLA”   | Biologics License Application  |
| “Board”   | the board of Directors of the Company  |
| “business day”  | any day (other than a Saturday, Sunday or public holiday in Hong Kong) on which banks in Hong Kong are generally open for normal banking business  |
| “China” or “the PRC”                                    | the People’s Republic of China   |
| “Companies Ordinance”                                   | Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time   |
| “Company”, “our Company”, or “the Company”              | HBM Holdings Limited (和鉑醫藥控股有限公司), a company with limited liability incorporated in the Cayman Islands on 20 July 2016   |
| “Conversion”  | conversion of each preferred share to ordinary share on a one-to-one basis immediately upon completion of the Share Subdivision  |
| “Director(s)”   | the director(s) of our Company   |
| “Dr. Wang”  | Dr. Jingsong Wang, M.D., Ph.D. (王勁松), an executive Director, the chief executive officer and chairman of the Board of our Company  |
| “Group”, “our Group”, “the Group”, “we”, “us”, or “our” | the Company and its subsidiaries from time to time, and where the context 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 |
| “HK” or “Hong Kong”                                     | 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 and amended from time to time by the International Accounting Standards Board   |



## Definitions

|   |   |
|---|---|
| “Listing Date”                                    | 10 December 2020, the date on which the Shares were listed 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                                      |
| “NMPA”  | National Medical Products Administration of the People’s Republic of China  |
| “Nomination Committee”                            | the nomination committee of the Board   |
| “Post-IPO Share Award Scheme”                     | the post-IPO share award scheme adopted by the Company on 23 November 2020  |
| “Post-IPO Share Option Scheme”                    | the post-IPO share option scheme adopted by the Company on 23 November 2020   |
| “Pre-IPO Equity Plan”                             | the share incentive plan approved and adopted by our Company on 11 November 2016, as amended on 26 October 2017, 6 August 2018, 19 September 2019 and 24 June 2020                              |
| “Remuneration Committee”                          | the remuneration committee of the Board   |
| “Reporting Period”                                | from 1 January 2024 to 30 June 2024   |
| “RMB” or “Renminbi”                               | Renminbi, the lawful currency of the PRC  |
| “Share(s)”  | ordinary share(s) in the share capital of the Company with a par value of US\$0.000025 each following the Share Subdivision and the Conversion  |
| “Share Subdivision”                               | the subdivision of each share in the Company’s issued and unissued share capital with par value of US\$0.001 each into 40 shares of the corresponding class with par value of US\$0.000025 each |
| “Stock Exchange” or<br>“Hong Kong Stock Exchange” | The Stock Exchange of Hong Kong Limited   |
| “subsidiary” or “subsidiaries”                    | has the meaning ascribed to it in section 15 of the Companies Ordinance   |
| “substantial shareholder(s)”                      | has the meaning ascribed to it in the Listing Rules   |

# Definitions

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| “U.S. FDA”                                       | U.S. Food and Drug Administration  |
| “United States”, “U.S.” or “US”                  | United States of America, its territories, its possessions and all areas subject to its jurisdiction |
| “US dollars”, “U.S. dollars”,<br>“US\$” or “USD” | United States dollars, the lawful currency of the United States                                      |
| “%”  | per cent   |

