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

2022
INTERIM REPORT

Contents

Corporate Information

BOARD OF DIRECTORS

EXECUTIVE DIRECTORS

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

NON-EXECUTIVE DIRECTORS

Mr. Yu Min Qiu
Mr. Junfeng Wang
Ms. Weiwei Chen

INDEPENDENT NON-EXECUTIVE DIRECTORS

Dr. Robert Irwin Kamen
Dr. Xiaoping Ye
Mr. Ka Chi Yau

AUDIT COMMITTEE

Mr. Ka Chi Yau *(Chairperson)*
Mr. Yu Min Qiu
Dr. Xiaoping Ye

REMUNERATION COMMITTEE

Dr. Xiaoping Ye *(Chairperson)*
Dr. Jingsong Wang
Mr. Ka Chi Yau

NOMINATION COMMITTEE

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

AUTHORIZED REPRESENTATIVES

Dr. Jingsong Wang
Mr. Richard Yu Fu

JOINT COMPANY SECRETARIES

Mr. Richard Yu Fu
Mr. Wing Yat Christopher Lui

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PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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HONG KONG SHARE REGISTRAR

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Ernst & Young
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LEGAL ADVISER

Skadden, Arps, Slate, Meagher & Flom and affiliates

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COMPANY WEBSITE

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STOCK CODE

02142

Corporate Profile

Incorporated in July 2016, we are a clinical-stage biopharmaceutical company engaged in the discovery and development of differentiated antibody therapeutics in oncology and immunology disease areas. We are committed to the discovery, development and commercialization of novel antibody therapeutics to address current patients' needs.

LEADING DRUG INNOVATION AND DISCOVERY ENGINE

Our Harbour Mice® Platform generates fully human monoclonal antibodies in the classical two heavy and two light chain H2L2 format as well as heavy chain only (HCAb) format. Our H2L2 Platform generates, at a rapid rate and in a scalable fashion, classical two heavy and two light (H2L2) immunoglobulin chain antibodies with optimized fully human variable regions, allowing for endogenous affinity maturation and immune effector function. Our HCAb Platform is a human antibody platform that engineers "heavy chain only" antibodies (HCAb) in a wide variety of formats (such as nanobodies, bispecific or multispecific antibodies and CAR-T) and with favorable developability. Leveraging the technology know-how we accumulated on our HCAb Platform, we have independently developed the HBICE® Platform, which focuses on generating differentiated HCAb-based bispecific immune cell engagers potentially 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 innovation and sustainable growth of the Company.

PLATFORM-VALUE MAXIMIZED BUSINESS COLLABORATIONS

We own global rights to use and develop our Harbour antibody platforms, enabling us to maximize the value of our platforms to address global unmet medical needs. With the leading discovery engine, we expand our business collaborations with leading academic institutions and select industrial partners focusing on innovation and efficiency across the world.

The business collaboration model of our antibody platforms is not only limited to pure technology out-license, but also engaging with academic institutions or other leading innovative pioneers in the industry for co-discovery/co-development on next-generation innovative therapy. These platforms have been validated by over 50 industry and academic partners. Built upon our strong track record of collaborations, we believe our Harbour antibody platforms will provide revenue creation potential and broaden the scope of our development efforts.

In 2022, HBM7022, a CLDN18.2xCD3 antibody generated from our HBICE® platform was licensed to AstraZeneca with its global rights at a very early stage in pre-clinical. In addition to the HBICE® platform, we have been committed to expanding the HCAb platform into new application areas and entered into multiple collaborations in CAR-T, CAR-NK, ADC and nucleic acid.

ROBUST PORTFOLIO AND DIFFERENTIATED PIPELINE

We have a robust and diversified pipeline of more than ten potentially differentiated drug candidates, four of which are in clinical development stage. And HBM9161, HBM9036, HBM4003 and HBM7008 are our main products.

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 the clinically most advanced FcRn inhibitor being developed in Greater China, batoclimab has the potential to be a breakthrough treatment for a wide spectrum of autoimmune diseases in Greater China.

TANFANERCEPT (HBM9036)

Tanfanercept is our most advanced product candidate which is in Phase III clinical trial. It is designed to treat moderate-to-severe dry eye disease ("**DED**"). It has a mechanism of inhibiting tumor necrosis factor (TNF)-α that causes inflammation in the eye. With the rapid increase in the use of electronic devices, as well as the aggravation of social aging problem, more people are suffering from dry eye disease in their work and life. Tanfanercept has the potential to seize a majority market share in a fast-growing DED drug market in China.

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 favorable properties compared with conventional anti-CTLA-4 antibodies in pre-clinical settings. Compared with conventional CTLA-4 antibody, HBM4003 has unique, favorable properties including significant Treg cell depletion and improved pharmacokinetics ("**PK**") for better safety. While increasing the potential to selectively deplete intratumoral Treg cells via enhanced antibody-dependent cellular cytotoxicity (ADCC) strategy, we believe HBM 4003 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 with the existing CTLA-4 therapy, and become the core product in cancer immunotherapy.

HBM7008 AND OTHER ASSETS

HBM7008 is a bispecific antibody targeting Tumor Associated Antigen (B7H4)x4-1BB that not only displays high potency in the T cell co-stimulation and tumor growth inhibition, and potentially may also translate to better 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 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.

As a biopharmaceutical company engaged in the discovery and development of differentiated antibody therapeutics in oncology and immunology disease areas, we also explored and developed multiple programs including novel and challenging drugs such as HBM1022 (CCR8), HBM1020 (B7H7, also potentially first-in-class on this target), HBM9378 (a TSLP targeted mAb with better bioavailability), HBM1007 (CD73), HBM9027 (PD-L1xCD40), HBM9033 (a novel ADC project), HBM9013 (a collaboration project with Boston Children's Hospital), HBM1047 (a first-in-class mAb targeting immune checkpoint inhibitor) and HBM7004 (another immuno-cell-engager BsAb generated from HBICE® Platform).

Financial Highlights

	For the six months ended 30 June	
	2022	2021
	US$ in thousand	US$ in thousand
	(Unaudited)	(Unaudited)
Revenue	**27,630**	2,212
Cost of sales	**(68)**	–
Other income and gains	**2,755**	2,681
Research and development costs	**(83,619)**	(41,183)
Administrative expenses	**(15,339)**	(25,268)
Finance costs	**(574)**	(39)
Other expenses	**(3,635)**	–
Income tax expense	**(229)**	(18)
Loss for the period	**(73,079)**	(61,615)
Loss per share (Basic and diluted) (USD)	**(0.10)**	(0.08)

	As of	As of
	30 June	31 December
	2022	2021
	US$ in thousand	US$ in thousand
	(Unaudited)	(Audited)
Cash and bank balances	**202,856**	216,304
Total assets	**268,307**	282,361
Total liabilities	**111,508**	59,447
Total equity	**156,799**	222,914

1. BUSINESS DEVELOPMENTS

a. Entered into a global out-license agreement in April 2022 with AstraZeneca to develop and commercialize HBM7022, a novel bispecific antibody generated from the HBICE® Platform of the Company, receiving an upfront payment of US$25 million with the potential for additional payments of up to US$325 million in aggregate and royalties. In June 2022, we received the upfront payment from AstraZeneca.

b. The Company entered into a subscription agreement with Shanghai NK Cell Technology Limited ("**NK Cell Tech**") in June 2021, pursuant to which the Company granted its platform non-exclusive sublicense to NK Cell Tech for specific cell therapy. In June 2022, NK Cell Tech, announced that it has completed its A round financing with a fund raising over RMB100 million. This collaboration shows the expandability of our platform technology application scenarios which generate impactful values to the Company in the diversified deployment of next generation innovation.

c. Commenced collaborations on antibody-drug conjugate ("**ADC**") projects with LegoChem Biosciences Inc. ("**LCB**") and Duality Biotherapeutics, Inc. ("**Duality Biologics**"), pursuant to which two products were granted to the collaborators.

d. Further advanced the strategic collaboration with Hualan Genetic Engineering Co., Ltd. ("**Hualan Genetic**") in respect of three innovative monoclonal antibody and bispecific antibody drugs which are expected to file the Investigational New Drug ("**IND**") application in 2022 and 2023.

e. Further advanced the collaboration with BioMap and entered into a new agreement of co-development of innovative therapies to explore the integration of Harbour Mice® Platform and AI technology developed by BioMap.

f. Certain innovative molecules, generated from the collaboration between Innovent Biologics, Inc. ("**Innovent Biologics**") and the Company, have already been advanced to clinical stage by Innovent Biologics during 2021 to 2022.

g. Advanced the collaboration with Boston Children's Hospital by leveraging state of the art target discovery and antibody design platform in the identification of novel antibody therapeutics.

2. REGISTRATIONAL TRAILS

a. Completed the recruitment of patients in ongoing Phase III clinical trial of HBM9161 (Batoclimab) for Myasthenia Gravis ("**MG**") in July 2022.

b. Completed the first interim analysis of ongoing Phase III trial of HBM9036 (Tanfanercept) for DED in January 2022.

3. HBM4003

Monotherapy

a. Released the topline data of the Phase Ib/II monotherapy trial at American Society of Clinical Oncology ("**ASCO**") 2022 in June 2022.

Combo with PD-1 for Melanoma

b. Completed the patients recruitment of the Phase Ib/II trial in March 2022.

c. Released the topline data of the Phase Ia trial at ASCO 2022 in June 2022.

Combo with PD-1 for Non-Small Cell Lung Caner ("NSCLC")

d. Completed the patients recruitment of the Phase Ib/II trial in the first half of 2022.

e. Released the topline data of the Phase I trial at World Conference of Lung Cancer ("**WCLC**") 2022 in August 2022.

Combo with PD-1 for Hepatocellular Carcinoma ("HCC")

f. Completed first dosing of first patient in Phase I trials in January 2022.

Combo with PD-1 for Neuroendocrine Neoplasms ("NET/NEC")

g. Completed first dosing of first patient in Phase I trials in January 2022.

h. Completed the patients recruitment of Phase Ib trial in August 2022.

4. HBM7008

a. Obtained the Institutional Review Boards ("**IRB**") approval to commence Phase I trial for solid tumors in Australia in February 2022.

b. Completed first dosing of first patient in Phase I trial in Australia in May 2022.

c. Obtained the IND clearance to commence Phase I trial for solid tumors from National Medical Products Administration of the People's Republic of China ("**NMPA**") and U.S. FDA in June 2022.

5. HBM9378

a. Obtained the IND approval from NMPA for moderate-to-severe asthma in February 2022.

6. ACADEMIC CONVENTION

a. Presented the data results of Phase II trial of HBM9036 in China on International Ophthalmology in February 2022.

b. Presented HBM9027 (PD-L1xCD40), a novel bispecific antibody at the American Association for Cancer Research (AACR) Annual Meeting in April 2022.

c. Presented a novel molecule named 87G7 which is an ACE2-blocking antibody conferring broad neutralization and protection against Omicron and other SARS-CoV-2 variants of concern on Science Immunology in April 2022.

d. Presented two topline data of HBM4003 in Phase I trial of mono therapy and Phase Ia trial of combination with PD-1 at ASCO 2022 Annual Meeting in June 2022.

e. Presented preclinical results of the next-generation fully human heavy-chain antibody HBM4003 on Proceedings of the National Academy of Sciences ("**PNAS**") in August 2022.

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

Management Discussion and Analysis

OVERVIEW

We are a global clinical-stage biopharmaceutical company committed to the discovery, development and commercialization of novel antibody therapeutics focusing on oncology and immunology. We have built a robust portfolio and differentiated pipeline focusing on the global market, by leveraging our unique antibody technology platforms as well as based on our biological expertise and industry experiences. Our portfolio also contains strategically selected and in-licensed clinical assets with near-term revenue potential targeting diseases with high unmet medical needs and taking the lead in filling the gap of the Greater China market.

Our proprietary antibody technology platforms, Harbour Mice®, 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®) 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 innovation and sustainable growth of the Company.

In order to become the leader in the development of the next generation of antibody therapy in oncology and immunology, we not only innovate through our internal research and development capability, but also expand our business collaborations with leading academic institutions and selected industry partners across the world. We believe our flexible business models which are built around our proprietary technologies and platforms can and will maximize our platform value by leveraging on the complementary advantages from the Company and our collaborators.

PORTFOLIO:

We have 12 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
• Tanfanercept (HBM9036)	TNFα	Dry Eye Disease	Greater China	★ Ph 3
• Batoclimab (HBM9161)	FcRn	MG	Greater China	★ Ph 3 (BTD)
		TED		Ph 2/3
		NMOSD		Ph 1b/2
		ITP		Ph 2
		CIDP		IND approval by NMPA
		PV		IND approval by NMPA
• HBM4003	CTLA-4 [1]	Solid Tumors [a]	Global	Monotherapy Ph 1b/2
		Solid Tumors [b]		Combo with PD-1 Ph 1b/2
		Solid Tumors [c]		Combo with PD-1/PD-1+Chemo Ph 1
• HBM7008	B7H4×4-1BB	Solid Tumors	Global	Ph 1 [2]
• HBM9378	TSLP	Asthma	Global	Ph 1
• HBM7022	CLDN18.2xCD3	Solid Tumors	Global Out-license	AstraZeneca
• HBM1022	CCR8	Solid Tumors	Global	US IND filing expected in 2022
• HBM1020	B7H7	Solid Tumors	Global	US IND filing expected in 2022
• HBM1007	CD73	Solid Tumors	Global	CN IND filing expected in 2022
• HBM9033	MSLN ADC	Solid Tumors	Global	
• HBM9027	PD-L1xCD40	Solid Tumors	Global	
• HBM1047	Undisclosed	Solid Tumors	Global	
• HBM7004	Undisclosed	Solid Tumors	Global	

Discovery | Pre-Clinical | IND | Phase I | Phase II | Phase III | BLA

★ Registrational Clinical Trial • In-license Program • Program from HBM Discovery Platforms

HARBOUR BIOMED

1. HBM4003 is a next generation anti-CTLA-4 with enhanced ADCC for Treg depletion
2. HBM7008 completed Ph 1 FPFD in Australia in May, CN IND approval and US IND clearance in June 2022

a. Melanoma, HCC, RCC and Other Advanced Solid Tumors
b. Melanoma, HCC, NEC/NET and Other Advanced Solid Tumors
c. NSCLC and Other Advanced Solid Tumors

Notes:

ITP:	Immune thrombocytopenia
TED:	Thyroid Eye Disease
MG:	Myasthenia Gravis
NMOSD:	Neuromyelitis optical spectrum disorder
CIDP:	Chronic inflammatory demyelinating polyneuropathy
PV:	Pemphigus Vulgaris
HCC:	Hepatocellular carcinoma
RCC:	Renal cell carcinoma
NSCLC:	Non-Small Cell Lung Cancer
NET/NEC:	Neuroendocrine Tumor/Neuroendocrine Cancer

BUSINESS REVIEW

Since 2022, China's healthcare reform has further deepened, and the reform of the pharmaceutical industry has gradually developed in depth and breadth amidst policy and market changes. Looking back at the overall industry landscape, the adjustment of medical insurance catalogs, medical insurance price negotiations and the new round of volume-based procurement have brought continuous challenges to drug prices, especially for the pricing of less differentiated products. Meanwhile, the exploration of medical insurance payment reform has also driven the industry to focus more on the drugs' potency-price ratio. On one hand, the newly revised "Drug Registration Regulation of PRC" (the "**DRR**") took effect on 1 July 2020. The DRR and its complementary measures provide an accelerated pathway for new drug launches, aiming to encourage clinical value-oriented drug innovation, accelerate the filing of clinically urgent drugs and address unmet clinical needs, which will ultimately benefit more patients. On the other hand, the new policy imposes new requirements on the quality of clinical trials and the protection of patient privacy. We are also paying attention to relevant policy changes in major countries around the world to align our product development with the rules and regulations of the region where the products are registered. Overall, against the backdrop of healthcare services upgrades and acceleration of the aging population, industry demand is still huge and growing steadily, and the industry as a whole is still on an upward trend which brings greater market opportunities for differentiated innovative drugs. Since the promulgation of the Drug Administration Law, policies orientation has continued to encourage clinical value-oriented drug innovation. The Company has been upholding the clinical value-oriented product line layout, and the forward-looking clinical development.

With the gradual improvement of the structural adjustment of the pharmaceutical industry, a new ecosystem has formed in the industry. The Company will further optimize its strategies such as research, development, registration and patent, focus on the development of highly differentiated products with clear value that can meet clinical needs, plan the product cycles adequately and initiate market education and marketing cycle. We believe that the Company's pipeline products will have broad market prospects in the future.

OUR PRODUCT DEVELOPMENT

Business Development

During the Reporting Period, we continued to expand our business collaborations with leading academic institutions and selected industry partners focusing on innovation and efficiency across the world. We believe our flexible business models built around our proprietary technologies and our strong internal discovery capabilities can and 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 continued to explore the expandability of platform technology application scenarios which generate impactful values to the Company.

1. *HBM7022 Out-licensed to AstraZeneca*

   In April 2022, we entered into a global out-license agreement with AstraZeneca to develop and commercialize HBM7022, a novel bispecific antibody generated from the HBICE® Platform of the Company. Pursuant to the said agreement, the Company shall receive one-time, non-refundable upfront payment in the amount of US$25 million, potential milestone payments of up to US$325 million in aggregate, based on pending achievement of certain regulatory, development, and sales milestones, and the tiered royalties. In June 2022, we received the upfront payment from AstraZeneca. This collaboration and recognition by an industry leading global biopharmaceutical company marks a major milestone in the business development of the Company, validating the potential of the Company's technology platform and innovation capabilities.

2. *Exploration on NK Cell Therapy*

   The Company entered into a subscription agreement with NK Cell Tech in June 2021, pursuant to which the Company granted its platform non-exclusive sublicense to NK Cell Tech for specific cell therapy. In June 2022, NK Cell Tech announced that it has completed its A round financing with a fund raising over RMB100 million. For further information, please refer to "Material Investment, Acquisition and Disposals" in this report.

3. *Multiple Collaborations in ADC*

   In the first half of 2022, we commenced collaborations on ADC projects with LCB and Duality Biologics, pursuant to which monoclonal antibodies were granted to the collaborators. Pursuant to the license agreements and subject to the terms and conditions thereof, the Company shall receive upfront payments, milestone payments and sales-based royalties. The Company believes that the aforementioned collaborations will contribute further to the Harbour Mice® Platform's ADC Ecosphere with the Company's other industrial leading partners such as MediLink Therapeutics and Sichuan Kelun-Biotech Biopharmaceutical Co., Ltd. ("**Kelun-Biotech**").

4. Advancement of the Strategic Collaboration with Hualan Genetic

The strategic collaboration with Hualan Genetic was further advanced by the two parties in 2022. In September 2020, the Company entered into a strategic partnership agreement with Hualan Genetic to develop our three proprietary innovative monoclonal and bispecific antibodies, including HBM1029, HBM7015 and HBM7020. These three assets are expected to file the INDs in China in 2022 and 2023.

5. Strategic Collaboration on AI and digitization with BioMap

In 2022, we have further advanced the collaboration with BioMap and entered into a new agreement in relation to the co-development of innovative therapies to explore the integration of Harbour Mice® Platform and AI technology developed by BioMap. In 2021, the Company entered into a strategic collaboration agreement with BioMap for scientific research, development and transformation on novel antibodies products, which will be based on the Harbour Mice® Platform incorporating the benefits of the AI technology developed by BioMap. We believe that the collaboration with BioMap can optimize the discovery and pre-clinical development of innovative therapy through AI and digitization and empower the discovery engine of the Company.

6. Collaboration with Innovent Biologics

In 2017, the Company non-exclusively licensed its H2L2 transgenic mouse platform for generating fully human therapeutic monoclonal antibodies to Innovent Biologics for the discovery of novel molecules with global rights. Certain novel molecules have been developed and advanced to the clinical stage by Innovent Biologics. The collaboration reflects the power of our platform as a rapid and efficient antibody discovery tool and our strong intellectual property position. The Company received the milestone payments in 2021 and expects to receive additional milestone payments in the second half of 2022 or thereafter arising from the initiation of clinical studies for the aforementioned products across various modalities.

7. Collaboration with Boston Children's Hospital

The Company established a collaboration initiative with Boston Children's Hospital in 2018, leveraging state-of-the-art target discovery and antibody design platform in the identification of novel antibody therapeutics. HBM9013, the lead candidate developed under this collaboration, has advanced in CMC development and is expected to file the IND in the U.S. in 2023. Boston Children's Hospital has been consecutively named the No.1 pediatric hospital by the U.S. News & World Report for nine years. We believe this collaboration will integrate both parties' strengths and advantages in drug development and bring innovative therapies to pediatric medicine.

Registrational Trials

1. Batoclimab HBM9161

As the first anti-FcRn therapy being developed in Greater China, we have formulated a tiered "portfolio-in-a-product" development strategy for batoclimab with an aim to submit the BLA to NMPA for the first indication in 2022. We are very excited to bring this novel therapy to patients in China and are optimistic about its market potential. During the Reporting Period, we continued to move forward with the clinical development of batoclimab. In 2021, we announced the positive topline results of its Phase II trial in Chinese generalized myasthenia gravis ("**gMG**") patients which is also the first clinical evidence of anti-FcRn therapies in Chinese patients, and in 2022, with two registrational trials for MG and thyroid eye disease ("**TED**"), batoclimab entered into comprehensive clinical development stage:

For MG

We completed the recruitment of patients in ongoing Phase III clinical trial of HBM9161 for MG in July 2022. With the positive topline readout results of Phase II trial, as well as the rapid progress of Phase III trial, we plan to file the BLA in the second half of 2022.

For TED

We aim to achieve the patients recruitment in ongoing Phase II/III clinical trial of HBM9161 for TED in 2022 and obtain the interim analysis results of TED in 2023. It is also expected to file the BLA in 2024.

We are currently evaluating the indications we have initiated. With the continued evolution of the market environment, regulatory policies and competitive landscape, we will continue to evaluate our development plans and strategies for batoclimab and adjust them as appropriate. We currently have MG as the priority of our development programs and will focus on the clinical development and commercial launch of this indication.

2. Tanfanercept HBM9036

With a growing aging population and dramatic increase in screen usage time, the incidence of DED has rapidly increased and we believe the trend will continue. We aim to provide effective therapy to fight against DED and we are fully engaged in the clinical development of tanfanercept.

We completed the first interim analysis of ongoing Phase III trial of HBM9036 for DED in January 2022. We are continuing our effort in completing the study, and we plan to file the BLA in the second half of 2022.

HBM4003

HBM4003 is the next-generation, fully human heavy chain only anti-CTLA-4 antibody generated from the HCAb Platform. It is also the first fully human heavy chain only antibody entered into clinical development around the world in history. In 2022, we implemented the global development plan of multiple types of solid tumors with adaptive treatment design for HBM4003. This flagship program is a great combination of our R&D capabilities and technology platform and has made significant progress:

Monotherapy

A. Released the topline data of the Phase Ib/II monotherapy trial at ASCO 2022 Annual Meeting in June 2022. This is an open-label, multi-center study on subjects with solid tumors at dose levels of 0.3mg/kg QW (28-day cycle), 0.45mg/kg Q3W (21-day cycle), and 0.6mg/kg Q3W (21-day cycle). In the dose-expansion part, patients with advanced HCC, melanoma, and RCC received 0.45 mg/kg Q3W (21-day cycle).

   Key results of the Phase I Study include: (i) 24 patients with advanced solid tumors in the dose escalation part and 36 patients in the dose expansion part, from 12 sites in Mainland China, 5 sites in Australia, and 1 site in Hong Kong, China; including 19 patients with HCC and 19 patients with RCC. 46 patients (77%) received ≥ 2 lines of previous systemic therapies and 37 patients (62%) received previous PD-1/PD-L1 treatment; (ii) For the HCC cohort, all 19 patients received previous PD-1/PD-L1 therapy and 12 patients were evaluable for efficacy. Two had stable disease (SD) and two had partial response (PR) as the best response. The objective response rate (ORR) was 16.7% and the disease control rate (DCR) was 33.3%; (iii) For the RCC cohort, 19 patients were treated in dose-escalation and dose-expansion parts and 18 patients were evaluable for efficacy. Eight had SD as best response; the DCR was 44.4%; (iv) The most common treatment-related adverse event (TRAE) of all grades was rash (16 [26.7%]). At the 0.45 mg/kg Q3W DL, Gr ≥3 TRAEs occurred in 4 (9.3%) patients, 1 patient reported Gr 4 TRAE and no Gr 5 TRAE was reported; (v) The recommended Phase II dose (RP2D) was selected as 0.45mg/kg Q3W; and (vi) sustained Treg depletion was observed in tumor tissue on day 21 post dosing.

With the strong efficacy and good safety profile observed in the results, we will further observe and gather more evidence on the relevance of the mechanism of Treg depletion to clinical benefits.

Combination Therapy with PD-1 for Melanoma

B. Completed the patients recruitment of the Phase Ib/II trial in March 2022.

C. Released the topline data of the Phase Ia trial at ASCO 2022 Annual Meeting in June 2022. This is a Phase I study to evaluate the safety, anti-tumor activity, PK/PD and recommended Phase II dose of HBM4003 in combination with toripalimab. In dose escalation part, patients were enrolled to receive HBM4003 at 3 dose levels (DLs) (0.03 mg/kg Q3W, 0.1 mg/kg Q3W, and 0.3 mg/kg Q3W) combined with toripalimab 240 mg. In dose expansion part, patients with advanced melanoma will be treated at recommended Phase II dose.

Key results of the Phase I Study as of 30 November 2021 include: (i) in total 11 patients have been treated at 1 site in China, including 9 with melanoma, 1 with renal cell carcinoma, and 1 with urothelial carcinoma. 4 patients received ≥ 2 lines of previous systemic therapies and 8 received previous PD-1/PD-L1 treatment; (ii) the most common TRAE of all grades was leukopenia (4 [36.4%] patients), followed by lymphopenia (3 [27.3%] patients). Gr 3 TRAE occurred in 2 (18.2%) patients: lymphopenia and diarrhea. All other TRAEs were Gr 1 or 2 and no > Gr 3 TRAE reported; (iii) at the 0.3 mg/kg Q3W DL, 6 patients were evaluable for efficacy: 2 had SD as the best response, whereas 1 patient had PR as the best response (mucosal melanoma, 2 lines of previous treatment including toripalimab), with tumor shrinkage of 32.6% (Week 12); and (iv) HBM4003 0.3 mg/kg Q3W in combination with toripalimab showed promising antitumor activity and a tolerable safety profile in advanced melanoma. Hence, 0.3 mg/kg Q3W was selected as the recommended dose for dose-expansion in advanced melanoma

Particularly in the study of HBM4003 in combination with toripalimab, another PR from a urothelial carcinoma patient (3 lines of previous treatments including toripalimab) was observed at the end of 2021. With the completion of the patients recruitment of the Phase Ib, we have observed exciting primary efficacy and we plan to release the proof of concept ("**POC**") data readout of the Phase Ib/II trial in the second half of 2022.

Combination Therapy with PD-1 for NSCLC

D. Completed the patients recruitment of the Phase Ib/II trial in first half of 2022.

E. Released the topline data of the Phase I trial at World Conference of Lung Cancer ("**WCLC**") 2022 in August 2022.

Combination Therapy with PD-1 for HCC

F. Completed the first dosing of the Phase I trials in January 2022.

We have seen the strong efficacy of HBM4003 on HCC in its Phase I trial of monotherapy. We plan to complete the patients recruitment of ongoing trial in the second half of 2022 and release the topline data in 2023.

Combination Therapy with PD-1 for NET/NEC

G. Completed the first dosing of the Phase I trials in January 2022.

H. Completed the patients recruitment of Phase Ib trial in August 2022.

With the completion of the patients recruitment, we plan to release the topline data of ongoing trial in 2023.

Besides, we also plan to file a new IND in the U.S. for solid tumors. With the full-speed advancement of our clinical development globally, we are excited to see the encouraging data from the Phase I trial with monotherapy and combination therapy, and we expect to see more data coming up, especially the POC evidence in selective solid tumors. We believe this product is an ideal cornerstone drug in combination therapy for immuno-oncology.

HBM7008

HBM7008 is a bispecific antibody targeting Tumor Associated Antigen (B7H4)x4-1BB that not only displays high potency in the T cell co-stimulation and tumor growth inhibition, and potentially may also translate to better 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. HBM7008 is the only bispecific antibody against these two targets globally. With excellent safety profile and strong anti-tumor efficacy in the pre-clinical study, including completed response observed in mouse tumor model, we believe HBM7008 will display a strong potential in Phase I trial as a globally first-in-class therapy. In 2022, we initiated the global trials and we are fully engaged in the clinical development:

A. Obtained the IRB approval of Phase I trial for solid tumors in Australia in February 2022.

B. Completed the first dosing of the Phase I trial in Australia in May 2022.

C. Obtained the IND approval/clearance of Phase I trial for solid tumors from NMPA and U.S. FDA in June 2022.

As the first BsAb generated from the HBICE® platform in clinical stage, HBM7008 has shown strong anti-tumor efficacy in the pre-clinical study. We aim to develop this product globally to maximize the market value for unmet medical needs.

Other Development Projects

Apart from the main products mentioned above, we also developed multiple programs and we aim to continuously deliver two or more IND submissions generated from our discovery engine each year from 2022 onwards.

1. HBM1020

HBM1020 is a first-in-class fully human monoclonal antibody generated from H2L2 platform, against a target in B7H7. The antibody can enhance anti-tumor immunity by blocking the immune checkpoint target. Preclinical data demonstrated its immune activation and anti-tumor functional activities.

The molecule has entered into preclinical development and we plan to file an IND in the second half of 2022.

2. HBM1022

CCR8 is a novel G protein-coupled receptor ("**GPCR**") target on Treg cells. It serves as a specific tumor infiltrated Treg cell surface marker and can be targeted by antibody. We have developed a CCR8 antibody (HBM1022) which is cross-reactive with monkey CCR8 and demonstrated its significant tumor growth inhibition efficacy in mouse tumor models.

HBM1022 is being studied in pre-clinical settings. We expect to file an IND for HBM1022 in the second half of 2022.

3. HBM9378

We rely on in-house technology platforms to co-develop fully human monoclonal antibody drugs of new targets, such as HBM9378, in collaboration with Kelun-Biotech. Such collaboration has entered into clinical development stage.

HBM9378 is a fully human monoclonal antibody against TSLP (thymic stromal lymphopoietin) 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 favorable dosing and formulation advantages.

We obtained the IND approval in February 2022 and plan to initiate the Phase I trial in the second half of 2022.

4. HBM1007

HBM1007 is a fully human mAb against CD73 generated from our H2L2 platform. HBM1007 is an ecto-enzyme expressed on stromal cells and tumors that converts extracellular adenosine monophosphate (AMP) to adenosine. With unique epitopes to recognize CD73, HBM1007 works through dual modes of action: (1) it can block the enzymatic activity of both membrane and soluble CD73 independent of AMP concentration, suggesting its sustainable activity in TME, and (2) it reduces the surface expression of CD73. As a result, both enzymatic and non-enzymatic dependent functions of CD73 were significantly reduced.

HBM1007 is being studied in pre-clinical settings. We expect to file an IND for HBM1007 in the second half of 2022.

5. HBM9033

HBM9033 is an antibody drug conjugate (ADC) drug that specifically target human Mesothelin (MSLN), a TAA that upregulated in various solid tumors, including mesothelioma, ovary cancer, lung cancer, breast cancer, and pancreatic cancers. The fully human mAb in HBM9033 is generated from the Harbour Mice® Platform with a well-tuned property that it showed decreased binding to shedding MSLN (sMSLN) while maintaining good binding and internalization to membrane bond MSLN. The ADC utilized a tumor specific cleavable linker with novel topoisomerase inhibitor for improved stability and activity. The unique design for both mAb and linker-payload together ensured the superior potency and safety of HBM9033 in pre-clinical studies to different tumor models with different MSLN expressing level. This product was developed by the Company, based on the collaboration with Medilink and we believe that HBM9033 will display a strong potential in Phase I trial as a globally best-in-class therapy.

HBM9033 is being studied in pre-clinical settings. We expect to file an IND for HBM9033 in 2023.

6. 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.

- Mediates both PD-1/PD-L1 inhibitory pathway and CD40 agonistic pathway to achieve synergistic anti-tumor immune responses.
- Combination effects on both myeloid cells and lymphocytes in the innate and adaptive immune systems by stimulating APC cells and relieving the immunosuppression on T cells.
- Potent in vivo anti-tumor efficacy and remarkable in vivo stability with long half-life.
- Preclinical toxicology studies indicated that the crosslinking-dependent CD40 activation can overcome the liver and systemic toxicity of traditional anti-CD40 monoclonal antibody.
- The bispecific design on geometry and targets provide the cis- and trans- mode of actions on APC, DC, tumor and T cells, indicating the encouraging therapeutic window.

HBM9027 is being studied in pre-clinical settings. We expect to file an IND for HBM9027 in 2023.

Research, Development and Technology

We focus on innovative next-generation therapies in oncology and immunology areas. Our discovery and pre-clinical research teams conduct drug discovery, formulation development, process development and pre-clinical studies on new candidates.

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

- Applied for 47 patents, and 9 patents have been granted invention patent license by the China National Intellectual Property Administration with 152 in process. These patent applications have further strengthened the protection of intellectual property rights of the Company's core products and technology platforms.

- Developed HBM9027 (PD-L1xCD40), a novel bispecific antibody, which was presented at the AACR Annual Meeting.

- Developed a novel molecular named 87G7 which is an ACE2-blocking antibody conferring broad neutralization and protection against Omicron and other SARS-CoV-2 variants of concern, which was presented on Science Immunology in April 2022.

The Company has established a robust antibody discovery platform including Harbour Mice® Platform, HBICE® Platform, GPCR drug development platform, and ADC platform. Based on these technology platforms, the Company may move towards more novel and challenging drug targets globally, such as HBM1047 (a first-in-class mAb targeting immune checkpoint inhibitor) and HBM7004 (another immuno-cell-engager BsAb generated from HBICE® Platform).

Manufacturing and Commercialization

With the maturity of our pre-clinical products, we planned to build internal manufacturing capability and capacity in due course. In 2021, we initiated the Clinical Supply Manufacturing Facility Project in order to support clinical development of our pipeline projects. The facility is located at Suzhou, Jiangsu Province. The facility which covers about 8,500 m^2, is designed to have capacity of production scale up to 4,000L. We expect the facility to be ready for manufacturing by the end of 2022.

We are building an internal commercial team with in-depth knowledge, experience and expertise in sales, marketing and market access strategies across various therapeutical areas. In additional, we are also evaluating the different approaches such as partnerships for co-commercialization to maximize business opportunities. During the Reporting Period, the commercial team processed relevant works, including market access and pre-launch effects, to prepare for the future launch of our leading products. The internal commercial team may have a deeper understanding of the Company's portfolio, which is conducive to academic promotion and channel expansion in the long term. The partnership can, at an early stage, enhance and expand our promotion channel and accelerate the coverage of patients.

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.

Material Investment, Acquisition and Disposals

The Group did not make any investment, acquisition or disposals in any company amounting to 5% or more of the value of the Group's total assets during the Reporting Period.

To give full play to the value of our unique platform technologies, we continued 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.

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 up 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 an fund raising over RMB100 million. As of 30 June 2022, the Company, through its subsidiary, held 11.90% of the total equity interest of NK Cell Tech.

As of 30 June 2022, the fair value of the investment is US$6.44 million, which represented 2.40% of the Company's total assets. During the Reporting Period, the Group recorded unrealized gain of US$0.91 million of its investment in NK Cell Tech.

Save as disclosed above and in this interim report, we have no current plan for material investment, acquisition and disposals.

Impact of and Response to COVID-19

In 2022, we did not have any suspected or confirmed cases of COVID-19 at our sites or among our employees. To prevent the spread of COVID-19 in our offices and research facilities, we have implemented a comprehensive disease prevention program to protect our employees from COVID-19 infection. The measures that we have taken include:

During severe outbreak period -

a. The Company's management set up an epidemic prevention management team and hold regular meetings to guide on epidemic prevention measures;

b. Track the travel history and health status of employees and their immediate family members/household members;

c. Send guidance notices such as epidemic prevention guidelines to employees regularly;

d. Perform declaration and registration on employees who return to work each day;

e. Temperature check and registration before employees enter the office premises;

f. Provide masks and alcohol disinfectant wipes for employees;

g. Require employees to reduce the number of physical meetings and use video and telephone conferencing as much as possible, and to be seated at a safe distance from each other in offline meetings with open windows and ventilation;

h. Place disinfectant instant hand sanitizer in office/laboratory venues to strengthen disinfection and ventilation measures;

i. Require employees to be seated at a safe distance from each other while having meals in the offices; and

j. Reduce visitors arrivals, check health code verification and check temperature for visitors, and request visitors to wear masks, among other epidemic prevention measures.

During normalized managing period -

a. Strengthen reminders and requirements in relation to the personal protection of employees through email, WeChat groups, bulletin boards, etc.;

b. Provide masks and alcohol disinfectant wipes for employees;

c. Conduct temperature checks before employees enter the office premises;

d. Provide instant hand sanitizer and other epidemic prevention materials in office, and conduct regular disinfection and ventilation;

e. Carry out registration and temperature check for visitors; and

f. Conduct COVID-19 nucleic acid tests for employees according to the epidemic situation.

During the Reporting Period, despite the epidemic control measures implemented in Shanghai, the impact of the epidemic on the Company's business was insignificant. Apart from the Mainland and Hong Kong, the Company's offices and laboratories in Rotterdam, the Netherlands and Boston, the U.S. have also taken effective measures in response to the epidemic, such as telecommuting and site disinfection. As at the publication date of this interim report, all of the Company's offices and laboratories are in good operating condition. The epidemic has minimal impact on the Company's overseas operations and there was no significant delay, suspension or termination caused by the epidemic. In 2022, the Company will continue to closely monitor the epidemic and take proactive and effective measures to ensure the smooth operation of its global business, R&D and operations.

Prospect and Outlook

Despite the challenges posed by the global COVID-19 epidemic, the Company is well prepared in terms of research and development and operations, and we expect the epidemic to have a relatively limited impact on our operations in the first half of 2022. The Company's achievements and growth momentum in 2022 gave us confidence that we will be able to successfully address the complex market environment and provide innovative therapeutic drugs for immune diseases and cancer patients in the near future.

Since the establishment of the Company, we have been committed to developing innovative therapies for patients around the world and are becoming an innovative biopharmaceutical company with core technology edges and differentiated portfolio. The Company will further accelerate the progress of its portfolio. We will advance the multiple clinical trials of our core products, batoclimab and tanfanercept, and get prepared for their commercial launch in the near future. The launch readiness work has already been initiated. We will further invest in HBM4003, HBM7008 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 file INDs for at least two new products, and we will continue to identify new quality candidates through Harbour Mice®, our highly effective drug discovery engine.

We believe our flexible business models built around our proprietary technologies and platforms will maximize our platform value by leveraging complementary advantages from the Company and our collaborators. As we have achieved several significant milestones in 2022 in business development, the value of our platform has been widely validated from top global institutions and international giants and now has become a core part of the Company's value. Further, as our pre-clinical products became increasingly mature, more extensive global collaborations are expected in the future. To give full play to the value of our unique platform technologies, we continued to explore the expandability of platform technology application scenarios which is expected to generate impactful values to the Company.

With the maturity of our pre-clinical products and our late stage clinical products entering into commercialization, we will continue to build internal manufacturing capabilities and capacities, as well as our internal commercialization capabilities. It is a phased long-term plan which is expected to meet the needs of the rapid growth and development of the Group.

FINANCIAL REVIEW

OVERVIEW

The Group recorded a revenue of US$27.6 million, and a loss of US$73.1 million for the six months ended 30 June 2022, as compared with a revenue of US$2.2 million, and a loss of US$61.6 million for the six months ended 30 June 2021.

Other income and gains was US$2.8 million for the six months ended 30 June 2022, as compared with US$2.7 million for the six months ended 30 June 2021. The research and development costs of the Group was US$83.6 million for the six months ended 30 June 2022, as compared with US$41.2 million for the six months ended 30 June 2021. The administrative expenses was US$15.3 million for the six months ended 30 June 2022, as compared with US$25.3 million for the six months ended 30 June 2021.

REVENUE

Our total revenue increased significantly from US$2.2 million for the six months ended 30 June 2021 to US$27.6 million for the six months ended 30 June 2022, primarily due to the increase in our revenue from recognizing molecule license fee. Our molecule license fee increased from US$1.8 million for the six months ended 30 June 2021 to US$27.1 million for the six months ended 30 June 2022, primarily due to the recognition of the upfront payment of US$25 million received from AstraZeneca for our collaboration agreement. Our technology license fee remained stable at US$0.5 million for the six months ended 30 June 2022 and 2021.

COST OF SALES

Our cost of sales was US$0.07 million for the six months ended 30 June 2022, as compared with nil for the six months ended 30 June 2021.

OTHER INCOME AND GAINS

Other income and gains were US$2.8 million for the six months ended 30 June 2022, whereas US$2.7 million for the six months ended 30 June 2021. Other income and gains primarily consist of interest income and fair value change of other financial assets.

Research and Development Costs

Our research and development costs increased significantly from US$41.2 million for the six months ended 30 June 2021 to US$83.6 million for the six months ended 30 June 2022. This increase was primarily attributable to (i) increased investments in our key clinical programs; (ii) increased investments in our molecule assets in discovery and pre-clinical stages; and (iii) an increase in employee cost from US$13.0 million to US$17.7 million due to the increase of our R&D staffs and share-based payment expenses.

	For the six months ended			
	2022		2021	
	US$ in thousands		US$ in thousands	
Upfront and milestone fees	**400**	**0.5%**	2,000	4.9%
Employee costs	**17,725**	**21.2%**	13,015	31.6%
Materials	**2,103**	**2.5%**	2,366	5.7%
Third-party contracting costs	**58,425**	**69.9%**	19,631	47.7%
Depreciation and amortization	**3,251**	**3.9%**	2,392	5.8%
Others	**1,715**	**2.0%**	1,779	4.3%
	83,619	**100.0%**	41,183	100.0%

Administrative Expenses

Our administrative expenses decreased by US$10.0 million to US$15.3 million for the six months ended 30 June 2022, primarily due to certain one-time compensation expenses for the six months ended 30 June 2021.

	For six months ended 30 June			
	2022		2021	
	US$ in thousands		US$ in thousands	
Employee costs	**10,774**	**70.2%**	21,415	84.8%
Professional expenses	**2,484**	**16.2%**	2,537	10.0%
Depreciation and amortization	**1,635**	**10.7%**	616	2.4%
Others	**446**	**2.9%**	700	2.8%
	15,339	**100.0%**	25,268	100.0%

Loss for the Period

As a result of the above factors, the loss for the period of the Group increased by US$11.5 million from US$61.6 million for the six months ended 30 June 2021 to US$73.1 million for the six months ended 30 June 2022.

Aging Analysis of Accounts Receivable

All the accounts receivables aged less than one year.

Ageing Analysis of Accounts Payables

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

	30 June 2022 USD in thousands	31 December 2021 USD in thousands
Within 1 month	**36,111**	23,358
1-3 months	**3,235**	2,562
3-6 months	**285**	26
6-12 months	**23**	47
	39,654	25,993

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

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 proceeds from IPO, pre-IPO fund raising 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 for the periods indicated:

	As of 30 June 2022	As of 31 December 2021
Current ratio[1]	**3.95**	5.87
Gearing ratio[2]	**N/A[3]**	N/A[3]

(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 bank balances. Adjusted capital includes equity attributable to owners of the parent.

(3) As of 30 June 2022 and 31 December 2021, the Group's cash and bank balances exceeded the financial liabilities. As such, no gearing ratio as of 30 June 2022 and 31 December 2021 was presented.

Material Acquisitions and Disposals

The Group did not have any material acquisitions or disposals of subsidiaries, consolidated affiliated entities or associated companies for the six months ended 30 June 2022.

Future Plans for Material Investments or Capital Asset

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

Pledge of Assets

As of 30 June 2022, the Group had no pledge of assets.

Contingent Liabilities

The Group had no material contingent liabilities as of 30 June 2022 (as of 31 December 2021: nil).

Foreign Exchange Exposure

During the six months ended 30 June 2022, the Group mainly operated in China in which the majority of the transactions were settled in the RMB, whereas the funding source of the Company was 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 2022.

Bank Loans and Other Borrowings

As of 30 June 2022, we had bank loans of US$56.3 million and lease liabilities of US$5.4 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:

	Less than 1 year US$ in thousands	**Between 1-5 years** US$ in thousands	**Total** US$ in thousands
As of 30 June 2022			
Lease liabilities	2,584	2,831	5,415
Bank borrowing – unsecured*	6,056	45,401	51,457
As of 31 December 2021			
Lease liabilities	2,594	4,826	7,420
Bank borrowing – unsecured*	797	10,479	11,276

* The bank borrowings carry interest at rates ranging from 3.80% to 4.65% (2021: 4.10% to 4.65%) per annum.

EMPLOYEES AND REMUNERATION

As of 30 June 2022, 350 of our employees were located in the PRC, 14 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 2022:

Function	**Number of Employees**	**% of Total Number of Employees**
Research and Development	246	67.4%
General and Administrative	119	32.6%
Total	365	100.0%

The total remuneration cost incurred by the Group for the six months ended 30 June 2022 was US$28.5 million (including share-based payment expenses amounting to US$6.9 million), as compared to US$34.4 million (including share-based payment expenses and certain one-time compensation expenses amounting to US$18.2 million) for the six months ended 30 June 2021.

The Group has also adopted the Pre-IPO Equity Plan, the Post-IPO Share Option Scheme and the Post-IPO Share Award Scheme.

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 adopted and complied with the applicable code provisions of the Corporate Governance Code (the "**Previous CG Code**") as set out in Appendix 14 to the Listing Rules before the amendments to the Corporate Governance Code (the "**New CG Code**") came into effect on 1 January 2022 as its own code of corporate governance. The Company has devised its own Corporate Governance Policy which incorporates the principles and practices as set out in the Previous CG Code and will be amended and supplemented in accordance with the New CG Code. The requirements under the New CG Code would apply to corporate governance reports for financial year commencing on or after 1 January 2022. The Board will continue to review and enhance its corporate governance practice of the Company to ensure compliance and alignment with the latest measures and standards set out in the New CG Code.

The Board is of the view that, during the Reporting Period, the Company has complied with all the code provisions of the Previous CG Code, save and except for the deviation from code provision A.2.1 of the Previous CG Code (equivalent to C.2.1 of the New CG Code), details of which were given in the Company's 2021 Annual Report.

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 10 to the Listing Rules as its code of conduct regarding securities transactions of the Directors. Having made specific enquiry with the Directors, all of 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 2022.

INTERIM DIVIDEND

The Board does not declare any interim dividend for the six months ended 30 June 2022.

AUDIT COMMITTEE

The Board has established the Audit Committee, which comprises two independent non-executive Directors, namely Mr. Ka Chi Yau (Chairman) and Dr. Xiaoping Ye and a non-executive Director, Mr. Yu Min Qiu.

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 management of the Company, has reviewed the unaudited interim results of the Group for the six months ended 30 June 2022.

OTHER BOARD COMMITTEES

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

FUTURE PLANS FOR MATERIAL INVESTMENT OR CAPITAL ASSETS

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

CHANGES TO DIRECTORS' INFORMATION

Pursuant to Rule 13.51B(1) of the Listing Rules, the changes in Directors' information subsequent to the date of the 2021 Annual Report of the Company are set out below:–

– Mr. Xiaoxiang Chen resigned as an executive Director with effect from 5 May 2022 for the reason of seeking other opportunities in his career development.

– Dr. Yiping Rong has been appointed as an executive Director with effect from 5 May 2022.

Dr. Yiping Rong (戎一平), aged 45, is the senior vice president and head of discovery of the Company. Dr. Rong was an associate scientist at Shanghai Biochip Co., Ltd. between June 2002 and June 2003. He then served as the associate research investigator at Roche R&D Center (China), where he designed and led two oncology projects (tumor antigen target by antibody modality, protein interaction target by peptide or SMI) between January 2009 to September 2012, with his last position as a principal scientist. From September 2012 to July 2014, Dr. Rong served as senior scientist and group leader of Translation Research, Department of Oncology at Janssen Pharmaceutical R&D, Johnson & Johnson, Shanghai Discovery Center. He was in charge of preclinical translational oncology research for liver cancer indication. As a biology leader, he also successfully generated the preclinical data package and patient stratification biomarker strategy to support the first Janssen oncology Phase I filing in China. In July 2014, he joined Sanofi Asia Pacific R&D Hub, AP TSU Research as an associate director, where he led and managed the early stage cancer therapeutics projects for liver cancer until he departed from the position in May 2016 to join the Company.

Dr. Rong received his master's degree in Molecular Biology in June 2002 from East China University of Science and Technology & Chinese National Human Genome Center in China and his Ph.D in Pharmacology in May 2008 from Case Western Reserve University in the U.S.A.. Dr. Rong has also been a member of the American Association of Cancer Research.

Save as disclosed above, the Directors confirm that no 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 during the six months ended 30 June 2022.

MATERIAL LITIGATION

The Company was not involved in any material litigation or arbitration during the six months ended 30 June 2022. 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 2022.

USE OF NET PROCEEDS

The Shares were listed on the Stock Exchange on 10 December 2020 with a total of 138,221,000 offer shares issued and the net proceeds raised during the Global Offering were approximately HK$1,656.6 million. There was no change in the intended use of proceeds as previously disclosed in the Prospectus. The Company plans to utilize the balance of net proceeds of the Global Offering by the end of 2023.

Set out below is the status of use of proceeds from the Global Offering as at 30 June 2022.

Purpose	% of use of proceeds	Net proceeds (HK$ million)	Unutilised amount as at 31 December 2021	Utilised for the six months ended 30 June 2022	Unutilised amount as at 30 June 2022
Funding ongoing and planned clinical trials and other related research and development activities, preparation for registration filings and potential commercial launches in Greater China of batoclimab (HBM9161), one of our Core Products	29%	480.4	315.1	162.8	152.3
Funding ongoing and planned clinical trials and other related research and development activities, preparation for registration filings and potential commercial launches in Greater China of tanfanercept (HBM9036), one of our Core Products	8%	132.5	43.5	30.7	12.9
Funding ongoing and planned clinical trials in Greater China and Australia, preparation for registration filings and potential commercial launches of HBM4003, our anchor asset, in Greater China, the United States and other jurisdictions	23%	381.0	273.3	80.9	192.4
Funding the research and development of our other drug candidates seeking IND approvals and yet to commence clinical trials or those in pre-clinical studies	15%	248.5	149.1	41.4	107.7
Funding the discovery of innovative molecules generated from our Harbour antibody platforms	12%	198.8	111.2	57.2	54.0
Funding the continued improvement of our platform technologies and our pursuit of licensing and collaboration opportunities utilizing our Harbour antibody platforms	5%	82.9	49.7	13.8	35.9
Working capital and other general corporate purposes	8%	132.5	79.5	22.1	57.4
Total	**100%**	**1,656.6**	**1,021.5**	**408.9**	**612.6**

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

As at 30 June 2022, 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[1]	Long position/ Short position/ Lending pool
Dr. Jingsong Wang[2]	Interest in controlled corporations	60,334,400	7.86%	Long position
Dr. Jingsong Wang	Beneficial interest	1,651,000	0.21%	Long position
Dr. Yiping Rong[3]	Beneficial interest	136,000	0.02%	Long position
Dr. Robert Irwin Kamen[4]	Beneficial interest	4,128,040	0.54%	Long position

Notes:

(1) The calculation is based on the total number of 767,891,160 Shares in issue as of 30 June 2022 and rounded off to two decimal places.

(2) As of 30 June 2021, 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.

(3) Dr. Rong has been granted 136,000 restricted shares pursuant to the Post-IPO Share Award Scheme which are held on his behalf by Kastle Limited.

(4) 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.

Save as disclosed above, as at 30 June 2022, 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 2022, 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[1]	Approximate percentage of interest in the Company[2]
Golden Link Investment Limited[3]	Beneficial interest	93,561,360 (L)	12.18%
Advantech Master Investment Limited[3]	Interest in controlled corporations	93,561,360 (L)	12.18%
Advantech Capital L.P.[3]	Interest in controlled corporations	93,561,360 (L)	12.18%
Advantech Capital Partners Ltd.[3]	Interest in controlled corporations	93,561,360 (L)	12.18%
Advantech Capital Holdings Ltd.[3]	Interest in controlled corporations	93,561,360 (L)	12.18%
Pang Kee Chan Hebert[3]	Interest in controlled corporations	93,561,360 (L)	12.18%
LC Healthcare Fund I, L.P.[4]	Beneficial interest	68,601,000 (L)	8.93%
LC Healthcare Fund I GP, L.P[4]	Interest in controlled corporations	68,601,000 (L)	8.93%
LC Fund GP Limited[4]	Interest in controlled corporations	68,601,000 (L)	8.93%
Union Season Holdings Limited[4]	Interest in controlled corporations	68,601,000 (L)	8.93%
Legend Capital Co., Ltd[4]	Interest in controlled corporations	68,601,000 (L)	8.93%
HARBOURBIO LLC[5]	Beneficial interest	60,334,400 (L)	7.86%
South Dakota Trust Company LLC	Trustee	60,334,400 (L)	7.86%
Jingsong Wang[5]	Interest in controlled corporations	60,334,400 (L)	7.86%
Jingsong Wang[6]	Beneficial interest	1,201,000 (L)	0.21%
Owap Investment Pte Ltd.[7]	Beneficial interest	50,632,400 (L)	6.59%
GIC (Ventures) Pte Ltd[7]	Interest in controlled corporations	50,632,400 (L)	6.59%
GIC Special Investments Pte. Ltd[7]	Interest in controlled corporations	50,632,400 (L)	6.59%
GIC Private Limited[7]	Interest in controlled corporations	53,632,400 (L)	6.98%
The Capital Group Companies, Inc.[8]	Interest in controlled corporations	38,117,204(L)	4.96%

Name of Shareholder	Capacity/Nature of interest	Number of Shares[1]	Approximate percentage of interest in the Company[2]
Capital Research and Management Company[8]	Interest in controlled corporations	17,520,204(L)	2.28%
Capital Research and Management Company[8]	Beneficial owner	20,597,000(L)	2.68%
Capital Group International, Inc.[8]	Interest in controlled corporations	17,520,204(L)	2.28%
Capital International, Inc.[8]	Beneficial owner	15,899,420(L)	2.07%
Capital International Sarl[8]	Interest in controlled corporations	1,620,784(L)	0.21%
Morgan Stanley Investments (UK)[9]	Interest in controlled corporations	39,941,000(L)	5.20%
		20,733,000(S)	2.69%
Morgan Stanley International Limited[9]	Interest in controlled corporations	39,941,000(L)	5.20%
		20,733,000(S)	2.69%
Morgan Stanley International Holdings Inc.[9]	Interest in controlled corporations	39,941,000(L)	5.20%
		20,733,000(S)	2.69%
Morgan Stanley &Co. International plc[9]	Underwriter	39,941,000(L)	5.20%
		20,733,000(S)	2.69%

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 767,891,160 Share in issue as of 30 June 2022 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 2,339,034 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 1,636,750 Shares (or 65,470,000 Shares after the Share Subdivision and Conversion) 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 1,201,000 restricted shares pursuant to the Post-IPO Share Award Scheme which are held on his behalf by Kastle Limited.

(7) Owap Investment Pte Ltd. is wholly-owned by GIC (Ventures) Pte Ltd and managed by GIC Special Investments Pte. Ltd, which is wholly-owned by GIC Private Limited. Therefore, under the SFO, GIC (Ventures) Pte Ltd, GIC Special Investments Pte. Ltd and GIC Private Limited are deemed to be interested in the 1,265,810 Shares (or 50,632,400 Shares after the Share Subdivision and Conversion) held by Owap Investment Pte Ltd..

(8) Capital International, Inc. and Capital International Sarl are wholly-owned by Capital Group International, Inc., which is wholly-owned by Capital Research and Management Company and Capital Research and Management Company is wholly-owned by The Capital Group Companies, Inc.. Therefore, under the SFO, The Capital Group Companies, Inc., Capital Research and Management Company and Capital Group International, Inc. are deemed to be interested in the 1,620,784 Shares held by Capital International Sarl and 15,899,420 Shares held by Capital International, Inc..

(9) Morgan Stanley & Co. International plc is the wholly-owned subsidiary of Morgan Stanley Investments (UK), in turns is a wholly-owned subsidiary of Morgan Stanley International Limited. Morgan Stanley International Limited is the wholly-owned subsidiary of Morgan Stanley International Holdings Inc. Therefore, under the SFO, Morgan Stanley & Co. International plc, Morgan Stanley Investments (UK), Morgan Stanley International Limited and Morgan Stanley International Holdings Inc. are deemed to be interested in the long position of 39,941,000 Shares and short position of 20,733,000 Shares.

Save as disclosed above, as at 30 June 2022, 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.

EQUITY INCENTIVE PLANS

1. PRE-IPO EQUITY PLAN

The Pre-IPO Equity Plan was approved and adopted pursuant to the written resolution of the sole shareholder of the Company dated 11 November 2016 and amended on 26 October 2017, 6 August 2018, 19 September 2019 and 24 June 2020, respectively.

The purposes of the Pre-IPO Equity Plan are:

(a) to attract and retain the best available personnel for positions of substantial responsibility;

(b) to provide incentives that align the interests of employees, Directors and consultants with those of the Company's shareholders; and

(c) to promote the success of the Company's business.

The Pre-IPO Equity Plan permits the grant of incentive stock options, nonstatutory stock options, stock appreciation rights, restricted stock and restricted stock units (each an "**Award**").

Incentive stock options may be granted only to employees (as defined in the Plan), while nonstatutory stock options, stock appreciation rights, Restricted stock and restricted stock units may be granted to employees, Directors or consultants.

The maximum aggregate number of Shares that are available for all Awards is 132,499,240 Shares.

The Pre-IPO Equity Plan has a term of ten years commencing from 11 November 2016. The Scheme is administrated by the Board and the trustee of the Pre-IPO Equity Plan. For details of the Pre-IPO Equity Plan, please refer to the prospectus of the Company.

As of 30 June 2022, the aggregate number of restricted shares and restricted share units granted under the Pre-IPO Equity Plan (which remain outstanding) were 17,614,912 and 4,149,840 (RSU), respectively, including those were granted, as resolved by the Board, to 108 grantees, comprised of 98 current employees of the Group, four members of the scientific advisory board, six external researchers in the Netherlands and an external consultant (Dr. Xun Zhu (朱迅)), who have been granted share awards pursuant to the Pre-IPO Equity Plan with the number of underlying ordinary shares ranging from 10,080 to 7,600,000 and are collectively interested in 21,764,752 ordinary shares of the Company.

2. POST-IPO SHARE OPTION SCHEME

The Post-IPO Share Option Scheme was conditionally adopted pursuant to the written resolutions of the Shareholders passed on 23 November 2020.

The purpose of the Post-IPO Share Option Scheme is to provide selected participants with the opportunity to acquire proprietary interests in the Company and to encourage selected participants to work towards enhancing the value of our Company and its Shares for the benefit of our Company and Shareholders as a whole. The Post-IPO Share Option Scheme will provide our Company with a flexible means of retaining, incentivizing, rewarding, remunerating, compensating and/or providing benefits to selected participants.

Any individual, being an employee, director, officer, consultant, advisor, distributor, contractor, customer, supplier, agent, business partner, joint venture business partner or service provider of any member of the Group or any affiliate who the Board or its delegate(s) considers, in their sole discretion, to have contributed or will contribute to our Group is entitled to be offered and granted options.

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 (the "**Option Scheme Mandate Limit**").

As of 30 June 2022, no options had been granted, agreed to be granted, exercised, cancelled or lapsed pursuant to the Post-IPO Share Option Scheme and therefore the total number of Shares available for grant under the Post-IPO Share Option Scheme was 76,789,116 Shares (representing approximately 10% of the number of issued Shares as at the date of this interim report).

The Option Scheme Mandate Limit may be refreshed at any time by obtaining prior approval of the Shareholders in general meeting and/or such other requirements prescribed under the Listing Rules from time to time. However, the Option Scheme Mandate Limit as refreshed cannot exceed 10% of the Shares in issue as at the date of such approval. Options previously granted under the Post-IPO Share Option Scheme and any other share option schemes of our Company (and to which the provisions of Chapter 17 of the Listing Rules are applicable) (including those outstanding, cancelled or lapsed in accordance with its terms or exercised), shall not be counted for the purpose of calculating the refreshed Option Scheme Mandate Limit.

The Post-IPO Share Option Scheme shall be valid and effective for the period of ten years commencing on the Listing Date (after which no further options shall be offered or granted).

Unless approved by the Shareholders, the total number of Shares issued and to be issued upon exercise of the options granted and to be granted under the Post-IPO Share Option Scheme and any other share option scheme(s) of our Company to each selected participant (including both exercised and outstanding options) in any 12 month period shall not exceed 1% of the total number of Shares in issue.

A consideration of HK$1.00 is payable within 20 business days from the date of grant of an option.

An option may, subject to the rules of the Post-IPO Share Option Scheme and the terms and conditions upon which such option is granted, be exercised in whole or in part by the grantee giving notice in writing to our Company in such form as our Board may from time to time determine stating that the option is thereby exercised and the number of Shares in respect of which it is exercised.

Pursuant to the Post-IPO Share Option Scheme, the participants may subscribe for the Shares on the exercise of an option at the price determined by the Board provided that it shall be at least the highest of (a) the closing price of a Share as stated in the daily quotations sheet issued by the Stock Exchange on the date of grant; (b) the average closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange for the five business days immediately preceding the date of grant; and (c) the nominal value of a Share on the date of grant.

On 27 July 2022, the Company granted a total of 9,318,000 Share Options to subscribe for 9,318,000 ordinary shares in the Company to 22 eligible participants under the Share Option Scheme, including 3,816,000 Share Options granted to two Directors of the Company.

3. POST-IPO SHARE AWARD SCHEME

The Post-IPO Share Award Scheme conditionally adopted by resolutions passed in the meeting of our Shareholders dated 23 November 2020.

Any individual, being an employee, director (including executive Directors, non-executive Directors and independent non-executive Directors), officer, consultant, advisor, distributor, contractor, customer, supplier, agent, business partner, joint venture business partner or service provider of any member of the Group or any affiliate (an "**Eligible Person**" and, collectively "**Eligible Persons**") who the Board or its delegate(s) considers, in its sole discretion, to have contributed or will contribute to the Group is eligible to receive an Award.

The purposes of the Post-IPO Share Award Scheme are to align the interests of Eligible Persons' with those of the Group through ownership of Shares, dividends and other distributions paid on Shares and/or the increase in value of the Shares, and to encourage and retain Eligible Persons to make contributions to the long-term growth and profits of the Group.

The aggregate number of 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. The Post-IPO Share Award Scheme has a term of ten years commencing on the Listing Date. As at 30 June 2022, no Shares had been granted or agreed to be granted pursuant to the Post-IPO Share Award Scheme and therefore the total number of Shares available for grant under the Post-IPO Share Award Scheme was 38,394,558 Shares (representing approximately 5% of the number of issued Shares as at the date of this interim report).

The Post-IPO Share Award Scheme has a term of ten years commencing on the Listing Date.

As at 30 June 2022, 7,135,000 Shares had been granted or agreed to be granted pursuant to the Post-IPO Share Award Scheme and therefore the total number of Shares available for grant under the Post-IPO Share Award Scheme was 31,309,558 Shares (representing approximately 4.07% of the number of issued Shares as at the date of this interim report).

On 27 July 2022, the Company announces that it granted a total of 3,381,000 Share Awards to 25 eligible participants under the Post-IPO Share Award Scheme, including 1,272,000 Share Awards granted to two Directors.

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 2022

	Notes	2022 (Unaudited) USD'000	2021 (Unaudited) USD'000
REVENUE	4	**27,630**	2,212
Cost of sales		**(68)**	–
Gross profit		**27,562**	2,212
Other income and gains	4	**2,755**	2,681
Administrative expenses		**(15,339)**	(25,268)
Research and development costs		**(83,619)**	(41,183)
Other expenses		**(3,635)**	–
Finance costs		**(574)**	(39)
LOSS BEFORE TAX	5	**(72,850)**	(61,597)
Income tax expense	6	**(229)**	(18)
LOSS FOR THE PERIOD		**(73,079)**	(61,615)
Attributable to:			
Owners of the parent		**(73,051)**	(61,560)
Non-controlling interests		**(28)**	(55)
		(73,079)	(61,615)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic and diluted (USD)	8	**(0.10)**	(0.08)

Interim Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2022

	2022 (Unaudited) USD'000	2021 (Unaudited) USD'000
LOSS FOR THE PERIOD	**(73,079)**	(61,615)
OTHER COMPREHENSIVE INCOME/(LOSS)		
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**833**	(163)
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD, NET OF TAX	**833**	(163)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	**(72,246)**	(61,778)
Attributable to:		
Owners of the parent	**(72,218)**	(61,723)
Non-controlling interests	**(28)**	(55)
	(72,246)	(61,778)

Interim Condensed Consolidated Statement of Financial Position

30 June 2022

	Notes	30 June 2022 (Unaudited) USD'000	31 December 2021 (Audited) USD'000
NON-CURRENT ASSETS			
Property, plant and equipment	9	**9,966**	11,789
Right-of-use assets		**4,894**	7,287
Intangible assets		**8,468**	8,492
Other non-current assets		**17,580**	8,083
Other financial assets	10	**6,437**	5,843
Total non-current assets		**47,345**	41,494
CURRENT ASSETS			
Trade receivables	11	**97**	26
Prepayments, other receivables and other assets		**18,009**	24,537
Cash and bank balances	12	**202,856**	216,304
Total current assets		**220,962**	240,867
CURRENT LIABILITIES			
Trade payables	13	**39,654**	25,993
Other payables and accruals		**6,632**	10,439
Contract liabilities		**986**	1,232
Interest-bearing bank and other borrowings	14	**6,056**	797
Lease liabilities		**2,584**	2,594
Total current liabilities		**55,912**	41,055
NET CURRENT ASSETS		**165,050**	199,812
TOTAL ASSETS LESS CURRENT LIABILITIES		**212,395**	241,306

continued/...

Interim Condensed Consolidated Statement of Financial Position

30 June 2022

	Notes	**30 June 2022 (Unaudited) USD'000**	31 December 2021 (Audited) USD'000
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings	14	**50,289**	11,256
Lease liabilities		**2,831**	4,826
Deferred tax liabilities		**2,166**	1,947
Contract liabilities		**310**	363
Total non-current liabilities		**55,596**	18,392
Net assets		**156,799**	222,914
EQUITY			
Equity attributable to owners of the parent			
Share capital	15	**19**	19
Treasury shares	15	**(8,869)**	(8,116)
Reserves		**165,956**	231,290
		157,106	223,193
Non-controlling interests		**(307)**	(279)
Total equity		**156,799**	222,914

Jingsong Wang
Director

Yiping Rong
Director

Interim Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2022

	Attributable to owners of the parent								
	Share capital USD'000	Treasury shares USD'000	Share premium* USD'000	Capital Reserve* USD'000	Exchange fluctuation reserve* USD'000	Accumulated losses* USD'000	Sub-total USD'000	Non-controlling interests USD'000	Total USD'000
As at 1 January 2022 (audited)	**19**	**(8,116)**	**821,737**	**7,283**	**(851)**	**(596,879)**	**223,193**	**(279)**	**222,914**
Loss for the period	**–**	**–**	**–**	**–**	**–**	**(73,051)**	**(73,051)**	**(28)**	**(73,079)**
Other comprehensive loss for the period:									
Exchange differences on translation of foreign operations	**–**	**–**	**–**	**–**	**833**	**–**	**833**	**–**	**833**
Total comprehensive loss for the period	**–**	**–**	**–**	**–**	**833**	**(73,051)**	**(72,218)**	**(28)**	**(72,246)**
Share-based payments (note 16,17)	**–**	**–**	**961**	**5,923**	**–**	**–**	**6,884**	**–**	**6,884**
Equity-settled share award arrangements (note 17)	**–**	**(753)**	**–**	**–**	**–**	**–**	**(753)**	**–**	**(753)**
At 30 June 2022 (unaudited)	**19**	**(8,869)**	**822,698**	**13,206**	**(18)**	**(669,930)**	**157,106**	**(307)**	**156,799**

	Attributable to owners of the parent								
	Share capital USD'000	Treasury shares USD'000	Share premium* USD'000	Capital Reserve* USD'000	Exchange fluctuation reserve* USD'000	Accumulated losses* USD'000	Sub-total USD'000	Non-controlling interests USD'000	Total USD'000
As at 1 January 2021 (audited)	19	(1)	817,871	2,989	(590)	(459,102)	361,186	(178)	361,008
Loss for the period	–	–	–	–	–	(61,560)	(61,560)	(55)	(61,615)
Other comprehensive loss for the period:									
Exchange differences on translation of foreign operations	–	–	–	–	(163)	–	(163)	–	(163)
Total comprehensive loss for the period	–	–	–	–	(163)	(61,560)	(61,723)	(55)	(61,778)
Share-based payments	–	–	2,048	2,817	–	–	4,865	–	4,865
At 30 June 2021 (unaudited)	19	(1)	819,919	5,806	(753)	(520,662)	304,328	(233)	304,095

* *These reserve accounts comprise the consolidated reserves of USD165,956,000 (30 June 2021: USD304,310,000) in the interim condensed consolidated statement of financial position.*

Interim Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2022

	Notes	2022 (Unaudited) USD'000	2021 (Unaudited) USD'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		**(72,850)**	(61,597)
Adjustments for:			
Finance costs		**574**	39
Foreign exchange losses/(gains), net		**3,635**	(362)
Bank interest income		**(1,129)**	(848)
Gain on disposal of right-of-use assets		**(116)**	–
Gain on fair value change of other financial assets		**(914)**	(8)
Share-based payment expenses	16	**6,884**	4,865
Depreciation of property, plant and equipment	9	**3,247**	2,155
Depreciation of right-of-use assets		**1,332**	746
Amortisation of intangible assets		**307**	107
		(59,030)	(54,903)
Increase in trade receivables		**(69)**	(1,191)
Decrease/(increase) in prepayments, other receivables and other assets		**8,094**	(5,665)
Increase in trade payables		**12,955**	155
Decrease in contract liabilities		**(299)**	(83)
Decrease in other payables and accruals		**(3,423)**	(8,710)
Cash used in operations		**(41,772)**	(70,397)
Income tax paid		**–**	(2)
Net cash flows used in operating activities		**(41,772)**	(70,399)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of other financial assets	10	**–**	(5,056)
Proceeds from redemption of other financial assets		**–**	153
Interest received		**1,129**	848
Purchases of property, plant and equipment		**(11,790)**	(703)
Purchase of intangible assets		**(351)**	(184)
Decrease/(increase) in time deposits with original maturity of more than three months but less than one year when acquired		**110,000**	(140,000)
Net cash flows generated from/(used in) investing activities		**98,988**	(144,942)

continued/...

Interim Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2022

	Notes	2022 (Unaudited) USD'000	2021 (Unaudited) USD'000
CASH FLOWS FROM FINANCING ACTIVITIES			
New bank and other borrowings raised		**44,628**	–
Interest paid		**(637)**	–
Equity-settled share option arrangements		**(753)**	–
Principal portion of lease liabilities		**(808)**	(510)
Interest portion of lease liabilities		**(146)**	(39)
Repayment of bank loans and other borrowings		**(336)**	–
Net cash flows generated from/(used in) financing activities		**41,948**	(549)
Net increase/(decrease) in cash and cash equivalents		**99,164**	(215,890)
Cash and cash equivalents at beginning of period		**56,304**	256,794
Effect of foreign exchange rate changes, net		**(2,612)**	120
Cash and cash equivalents at end of period		**152,856**	41,024
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances as stated in the consolidated statement of financial position	12	**202,856**	281,024
Time deposits with original maturity of more than three months but less than one year when acquired	12	**(50,000)**	(240,000)
Cash and cash equivalents as stated in the consolidated statement of cash flows		**152,856**	41,024

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 2022 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 2021.

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 2021, 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 3	*Reference to the Conceptual Framework*
Amendments to IAS 16	*Property, Plant and Equipment: Proceeds before Intended Use*
Amendments to IAS 37	*Onerous Contracts – Cost of Fulfilling a Contract*
Annual Improvements to "IFRS Standards" 2018-2020	*Amendments to IFRS 1, IFRS 9, Illustrative Examples accompanying IFRS 16, and IAS 41*

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

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.

3. OPERATING SEGMENT INFORMATION *(Continued)*

Geographical information

(a) Revenue from external customers

	2022 (Unaudited) USD'000	2021 (Unaudited) USD'000
Europe	**25,760**	65
Mainland China	**1,440**	6
United States	**284**	2,086
Others	**146**	55
	27,630	2,212

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

(b) Non-current assets

	2022 (Unaudited) USD'000	2021 (Audited) USD'000
Mainland China	**31,750**	26,805
Europe	**7,600**	7,600
United States	**1,558**	1,246
	40,908	35,651

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 other financial assets.

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:

	2022 (Unaudited) USD'000	2021 (Unaudited) USD'000
Customer A	**25,617**	N/A
Customer B	**N/A**	1,750
	25,617	1,750

N/A: Revenue from these customers for the periods indicated is less than 10% of the total revenue of the Group and therefore is not disclosed.

4. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	2022 (Unaudited) USD'000	2021 (Unaudited) USD'000
Types of goods or services		
– Molecule licence fee	**27,118**	1,750
– Technology licence fee	**512**	462
– Platform-based research fee	**–**	–
	27,630	2,212

4. REVENUE, OTHER INCOME AND GAINS *(Continued)*

Revenue from contracts with customers

(i) Disaggregated revenue information

	2022 (Unaudited) USD'000	2021 (Unaudited) USD'000
Timing of revenue recognition		
At a point in time		
– Molecule licence fee	**27,118**	1,750
– Platform-based research fee	**–**	–
Over time		
– Technology licence fee	**512**	462
	27,630	2,212

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:

	2022 (Unaudited) USD'000	2021 (Unaudited) USD'000
Technology licence fee	**304**	296
Molecule licence fee	**–**	–
Platform-based research fee	**–**	–
	304	296

4. REVENUE, OTHER INCOME AND GAINS *(Continued)*

Revenue from contracts with customers *(Continued)*

(ii) Performance obligations

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

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.

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.

Platform-based research fee

The performance obligation is satisfied at a point in time when research results are delivered to and accepted by the customer and 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:

	2022 (Unaudited) USD'000	2021 (Unaudited) USD'000
Amounts expected to be recognised as revenue:		
– Within one year	**768**	2,573
– After one year	**579**	5,370
	1,347	7,943

The above remaining performance obligations mainly relate to the contracts of licences and platform-based research fee. The amounts expected to be recognised after one year relate to performance obligations that will be satisfied in the coming 3 years. The amounts disclosed above do not include variable consideration which is constrained.

4. REVENUE, OTHER INCOME AND GAINS *(Continued)*

Revenue from contracts with customers *(Continued)*

(ii) Performance obligations (Continued)

An analysis of other income and gains is as follows:

	2022 (Unaudited) USD'000	2021 (Unaudited) USD'000
Other income and gains		
– Interest income	**1,129**	1,522
– Gains on fair value change of other financial assets	**914**	8
– Government grants recognised*	**563**	784
– Foreign exchange gains, net	**–**	362
– Others	**149**	5
	2,755	2,681

* *Government grants have been received from the PRC local government authorities to support the subsidiaries' research and development activities. There are no unfulfilled conditions relating to these government grants.*

5. LOSS BEFORE TAX

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

	Notes	2022 (Unaudited) USD'000	2021 (Unaudited) USD'000
Cost of sales		**(68)**	–
Depreciation of property, plant and equipment	9	**(3,247)**	(2,155)
Depreciation of right-of-use assets		**(1,332)**	(746)
Amortisation of intangible assets		**(307)**	(107)
Employee benefit expense (including directors' remuneration):			
– Wages and salaries		**(20,418)**	(28,797)
– Pension scheme contributions		**(1,197)**	(768)
– Share-based payment expenses		**(6,884)**	(4,865)
Auditors' remuneration		**(236)**	(298)
Lease expenses arising from short-term leases*		**(205)**	(179)
Foreign exchange (losses)/gains, net		**(3,635)**	362

* *The Group has applied the available practical expedient of IFRS 16 and applied the short-term lease exemption to leases with a lease term that ends within 12 months from the lease commencement date.*

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% (2021: 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% (2021: 8.25%) that may apply for the first HK$2,000,000 (2021: HK$2,000,000) of the assessable profits.

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% (2021: 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% (2021: 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% (2021: 15%).

Netherlands

The subsidiaries which operate in the Netherlands are subject to profits tax at a rate of 15.0% (2021: 15.0%) for the first EUR395,000 (2021: EUR245,000) of taxable income, and the excess amount is subject to corporate income tax at a rate of 25.8% (2021: 25%) during the period.

6. INCOME TAX EXPENSES *(Continued)*

United States

The subsidiaries which operate in the US are subject to federal income tax at a rate of 21% (2021: 21%) and the Massachusetts state income tax at a rate of 8% (2021: 8%) on the taxable income.

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

	2022 (Unaudited) USD'000	2021 (Unaudited) USD'000
Current income tax	**–**	(2)
Deferred income tax	**(229)**	(16)
Total tax expense for the period	**(229)**	(18)

7. DIVIDENDS

No dividend has been paid or declared by the Company and its subsidiaries during the period (2021: Nil).

8. LOSS PER SHARE

The calculation of the basic loss per share amounts is based on the loss attributable to the owners of the parent and the weighted average number of ordinary shares in issue excluding the treasury shares during the period, considering the share subdivision occurred on 10 December 2020. The share subdivision was treated as having been in issue for the whole period and also included in the loss per share calculation of the comparative period presented so as to give a comparable result.

Diluted loss per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares into ordinary shares. As the Group incurred losses for the six months ended 30 June 2022 and 2021, the potential ordinary shares were not included in the calculation of diluted loss per share as the potential ordinary shares had an anti-dilutive effect on the basic loss per share. Accordingly, the diluted loss per share amounts for the six months ended 30 June 2022 and 2021 are the same as the basic loss per share amounts of the respective periods.

8. LOSS PER SHARE *(Continued)*

	2022 (Unaudited)	2021 (Unaudited)
Loss		
Loss attributable to owners of the parent (USD'000)	**(73,051)**	(61,560)
Shares		
Weighted average number of ordinary shares in issue during the period	**732,901,025**	730,192,111
Basic and diluted loss per share (USD per share)	**(0.10)**	(0.08)

9. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2022, the Group acquired assets with a cost of USD1,922 thousand (six months ended 30 June 2021: USD718 thousand).

10. OTHER FINANCIAL ASSETS

	30 June 2022		31 December 2021	
	Categories	Carrying amount USD'000 (Unaudited)	Categories	Carrying amount USD '000 (Audited)
Assets:				
Debt instruments (including hybrid contracts):				
Unlisted equity investments	**FVPL[1]**	**6,437**	FVPL	5,843
		6,437		5,843

FVPL[1]: Financial assets or financial liabilities at fair value through profit or loss

10. OTHER FINANCIAL ASSETS *(Continued)*

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 2022, the interests of the Group held in NK was diluted to 11.90% when NK issued 1,023,750 series A redeemable shares to a group of investors at a cash consideration of RMB130,000,000 (equivalent to USD19.37 million) or RMB126.98 (equivalent to USD18.92) per share.

11. TRADE RECEIVABLES

	30 June 2022 (Unaudited) USD'000	31 December 2021 (Audited) USD'000
Within 3 months	**97**	26
	97	26

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 BANK BALANCES

	30 June 2022 (Unaudited) USD'000	31 December 2021 (Audited) USD'000
Cash and bank balances	**202,856**	216,304
Less:		
Time deposits with original maturity of more than three months but less than one year when acquired	**(50,000)**	(160,000)
Cash and cash equivalents	**152,856**	56,304
Denominated in:		
USD	**134,779**	182,606
RMB	**66,864**	32,243
Others	**1,213**	1,455
	202,856	216,304

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.

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:

	30 June 2022 (Unaudited) USD'000	31 December 2021 (Audited) USD'000
Within 1 month	**36,111**	23,358
1-3 months	**3,235**	2,562
3-6 months	**285**	26
6-12 months	**23**	47
	39,654	25,993

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

14. INTEREST-BEARING BANK AND OTHER BORROWINGS

	30 June 2022 (Unaudited) USD'000	31 December 2021 (Audited) USD'000
Bank borrowings – unsecured	**56,345**	12,053
	56,345	12,053
Analysed into:		
On demand or within one year	**6,056**	797
More than one year, but not exceeding five years	**50,289**	11,256
	56,345	12,053
Current	**6,056**	797
Non-current	**50,289**	11,256

14. INTEREST-BEARING BANK AND OTHER BORROWINGS *(Continued)*

As at 30 June 2022, the Group's overdraft bank facilities amounted to RMB730,000,000 (31 December 2021: RMB250,000,000), of which RMB378,159,000 (31 December 2021: RMB76,765,000) had been utilized.

The bank borrowings carry interest at rates ranging from 3.80% to 4.65% (2021: 4.10% to 4.65%) per annum.

The directors estimate that the carrying amounts of the Group's current and non-current borrowings approximate to their fair values.

15. SHARE CAPITAL AND TREASURY SHARES

Issued and fully paid

	30 June 2022 (Unaudited)	
	Number of shares in issue	**Share capital USD'000**
Ordinary shares of USD0.000025 each*	**751,170,360**	**19**
Restricted shares of USD0.000025 each**	**16,720,800**	**–**
	767,891,160	**19**

	31 December 2021 (Audited)	
	Number of shares in issue	Share capital USD'000
Ordinary shares of USD0.000025 each*	749,967,080	19
Restricted shares of USD0.000025 each**	17,924,080	–
	767,891,160	19

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

** *Amount less than USD1,000.*

15. 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					
	Ordinary shares	Treasury shares	Restricted shares	Series A2 Preferred Shares	Total	Share capital USD'000
At 31 December 2020 and 1 January 2021 (audited)	730,039,360	26,810,840	11,040,960	–	767,891,160	19
Grant of restricted shares (note 16)	–	(13,128,000)	13,128,000	–	–	–
Restricted shares vested (note 16)	5,025,200	–	(5,025,200)	–	–	–
Forfeiture of restricted shares (note 16)	–	1,219,680	(1,219,680)	–	–	–
Repurchase of ordinary shares (note 17)	(7,700,000)	7,700,000	–	–	–	–
At 31 December 2021 (audited)	727,364,560	22,602,520	17,924,080	–	767,891,160	19
Restricted shares vested (note 16)	1,168,000	–	(1,168,000)	–	–	–
Forfeiture of restricted shares (note 16)	–	35,280	(35,280)	–	–	–
Repurchase of ordinary shares (note 17)	(1,468,000)	1,468,000	–	–	–	–
At 30 June 2022 (unaudited)	727,064,560	24,105,800	16,720,800	–	767,891,160	19

In 2020, 1,030,169 ordinary shares were issued to the Company's trust for the benefits of future employees of the Company. The trust was considered as an extension of the Company and such ordinary shares were accounted for as treasury shares.

15. SHARE CAPITAL AND TREASURY SHARES *(Continued)*

Issued and fully paid *(Continued)*

Pursuant to the shareholders' resolution passed on 23 November 2020, the Company conducted a share subdivision pursuant to which each share in the then issued and unissued share capital was split into 40 shares of the corresponding class with par value of US$0.000025 each effective upon the successful IPO of the Company on 10 December 2020. Immediately upon the completion of the share subdivision, all Preferred Shares were automatically converted into ordinary shares on a 1:1 basis.

On 10 December 2020, the Company was listed on the Main Board of The Stock Exchange of Hong Kong Limited. The total number of offer shares under the global offering was 138,221,000 with a par value of US$0.000025 each.

16. 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.

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.

16. SHARE-BASED PAYMENTS *(Continued)*

2016 Equity Incentive Plan *(Continued)*

In 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

16. 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.

16. 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;

In this period, 18 employees resigned from the Group and 35,280 unvested restricted shares (after share subdivision) and 1,887,480 unvested restricted share units (after share subdivision) granted to them were forfeited (31 December 2021: 20 employees resigned from the Group and 1,219,680 unvested restricted shares (after share subdivision) and 1,117,440 unvested restricted share units (after share subdivision) granted to them were forfeited). In the last period, the Company repurchased the 302,400 vested restricted shares (after share subdivision) from 2 ex-employees with a consideration of par value of US$0.000025 each.

16. SHARE-BASED PAYMENTS *(Continued)*

2016 Equity Incentive Plan *(Continued)*

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

	2022 Jan-Jun	2021 Jan-Jun
Restricted shares:		
At the beginning of the period	**17,924,080**	11,040,960
Forfeited during the period	**(35,280)**	(50,400)
Granted during the period	**–**	1,728,000
Reclassification to ordinary shares of vested restricted shares	**(1,168,000)**	(1,728,000)
At the end of the period	**16,720,800**	10,990,560

	2022 Jan-Jun	2021 Jan-Jun
Restricted share units:		
At the beginning of the period	**6,037,320**	9,776,720
Forfeited during the period	**(1,887,480)**	(878,400)
Vested during the period	**–**	(21,600)
At the end of the period	**4,149,840**	8,876,720

The Group recognised share-based payment expenses of USD5,717 thousand for 2016 Plan in the first half year of 2022 (30 June 2021: USD4,865 thousand).

17. 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.

During the six months ended 30 June 2022, the Company repurchased its own ordinary shares of 1,468,000 (31 December 2021: 7,700,000) on the Stock Exchange through the trustee at an aggregate consideration of HK$5,891,000 (31 December 2021: HK$63,298,000), approximately equivalent to USD753,000 (31 December 2021: USD8,115,000), to grant these shares to any eligible employees in the future.

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.

17. SHARE AWARD SCHEME *(Continued)*

There was no share award vested during the period. Movements in the number of shares held under the share award scheme are as follows:

	2022 Jan-Jun	
	Weighted average exercise price HK$ per share	**Number of awards**
At the beginning of the period	**8.22**	**7,686,000**
Forfeited during the period	**8.22**	**(551,000)**
At the end of the period	**8.22**	**7,135,000**

In this period, 5 employees resigned from the Group and 551,000 unvested share awards granted to them were forfeited.

The Group recognised share-based payment expenses of USD1,167 thousand for 2020 Post-IPO Share Award Scheme in the first half year of 2022 (30 June 2021: Nil).

The fair values of equity-settled awards granted during the reporting period 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 Share Award 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

18. CONTINGENT LIABILITIES

As of 30 June 2022, the Group did not have any material contingent liabilities.

19. COMMITMENTS

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

	30 June 2022 (Unaudited) USD'000	31 December 2021 (Audited) USD'000
Contracted, but not provided for:		
Plant and machinery	**12,355**	9,610

20. 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:

	2022 Jan-Jun (Unaudited) USD'000	2021 Jan-Jun (Unaudited) USD'000
Loans provided to associates	**2,980**	–
Key management personnel service fees paid by the Company		
Ms. Weiwei Chen*	**169**	33
Dr. Robert Irwin Kamen**	**12**	62
	181	95

* *The fee was paid for the consultancy services in relation to the business and operation of the Group provided by Ms. Weiwei Chen. The fee was charged pursuant to the terms in the agreement signed between the Company and Ms. Weiwei Chen on 9 June 2021.*

** *The fee was paid for the services in relation to the scientific advisory board of the Group provided by Dr. Robert Irwin Kamen. The fee was charged pursuant to the terms in the agreements signed between the Company and Dr. Robert Irwin Kamen on 16 December 2016, 5 January 2021 and 16 December 2021.*

20. RELATED PARTY TRANSACTIONS *(Continued)*

(b) Outstanding balances with related parties

The Group had the following balances with related parties:

	2022 (Unaudited) USD'000	2021 (Audited) USD'000
Amounts due from associates	**2,980**	–
Amounts due from shareholders *		
Xiaoxi Liu – Gross	**–**	50
– Provision	**–**	(50)
	2,980	–

* *The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. In 2019, Xiaoxi Liu resigned from the Group. Accordingly, the Group fully provided allowance on the amount due from Xiaoxi Liu of USD150,000 as management is of the opinion that the Group will no longer receive the amount. In 2020, the Group received USD100,000 from Xiaoxi Liu. The remaining amounts due from shareholders have been fully write-off during this period.*

(c) Compensation of key management personnel of the Group

	2022 (Unaudited) USD'000	2021 (Unaudited) USD'000
Short term employee benefits	**2,200**	13,902
Contributions to the pension scheme	**40**	17
Share-based payment expenses	**4,248**	2,239
	6,488	16,158

21. 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.

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

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.

As at 30 June 2022, the fair values of unlisted equity investments have been estimated by using the back-solve method from the most recent transactions price of series A redeemable shares. 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 2022.

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 2022

	Fair value measurement using			
	Quoted prices in active markets (Level 1) USD'000	**Significant observable inputs (Level 2) USD'000**	**Significant unobservable inputs (Level 3) USD'000**	**Total USD'000**
Financial assets:				
Other financial assets	**–**	**–**	**6,437**	**6,437**

As at 31 December 2021

	Fair value measurement using			
	Quoted prices in active markets (Level 1) USD'000	Significant observable inputs (Level 2) USD'000	Significant unobservable inputs (Level 3) USD'000	Total USD'000
Financial assets:				
Other financial assets	–	–	5,843	5,843

21. 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:

	2022 Jan-Jun USD'000 (Unaudited)
At 1 January	**5,843**
Total gains recognised in the statement of profit or loss	**594**
At period end	**6,437**

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 (30 June 2021: 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 2022:

	Valuation technique	Significant unobservable input	Range	Sensitivity of fair value to the input
Investment in equity investment of NK	back-solve method	Risk-free interest rate	2.63%	1% increase/(decrease) in terminal growth rate would result in increase/(decrease) in fair value by USD14,000/(USD16,000)
		Volatility	70%	1% increase/(decrease) in weighted average cost of capital (WACC) would result in (decrease)/increase in fair value by (USD6,000)/USD6,000
		Discount of lack of marketability	27%	1% increase/(decrease) in discount of lack of marketability would result in (decrease)/increase in fair value by (USD90,000)/USD90,000

22. 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 2022.

Definitions

"associate(s)"	has the meaning ascribed to it under the Listing Rules
"Audit Committee"	the audit committee of the Company
"BLA"	Biologics License Application
"Board"	the board of Directors
"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/PRC NMPA"	National Medical Products Administration of 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
"Global Offering"	the Hong Kong Public Offering and the International Offering
"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 People's Republic of China
"Hong Kong dollars" or "HK dollars" or "HK$"	Hong Kong dollars, the lawful currency of Hong Kong

"IFRS"	International Financial Reporting Standards, as issued from time to time by the International Accounting Standards Board
"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
"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
"Pre-IPO Investor(s)"	the Series A1 Preferred Shareholders, Series A3 Preferred Shareholders, Series B Preferred Shareholders, Series B2 Preferred Shareholders and Series C Preferred Shareholders
"Reporting Period"	from 1 January 2022 to 30 June 2022
"RMB" or "Renminbi"	Renminbi, the lawful currency of China
"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 "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
"U.S. FDA"	U.S. Food and Drug Administration

Definitions

"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", "US$" or "USD"	United States dollars, the lawful currency of the United States
"%"	per cent