Transcenta Holding Limited
創勝集團醫藥有限公司

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

(Stock Code: 6628)

(1) INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED JUNE 30, 2025; AND (2) CHANGE IN USE OF PROCEEDS

The board (the "**Board**") of directors (the "**Directors**") of Transcenta Holding Limited (the "**Company**") is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively, the "**Group**") for the six months ended June 30, 2025 (the "**Reporting Period**") and comparison with the operating results for the corresponding period in 2024. These results were based on the unaudited consolidated interim financial statements for the Reporting Period, which were prepared in accordance with IFRS Accounting Standards ("**IFRS**") and reviewed by the audit committee of the Company (the "**Audit Committee**") and the Company's auditor, Deloitte Touche Tohmatsu.

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

FINANCIAL HIGHLIGHTS

IFRS Accounting Standards ("IFRS") Measures:

- **Revenue** decreased from RMB4.6 million for the six months ended June 30, 2024 to RMB2.7 million for the six months ended June 30, 2025, primarily attributable to the decrease in CDMO services.

- **Other income** increased by RMB1.8 million from RMB9.6 million for the six months ended June 30, 2024 to RMB11.4 million for the six months ended June 30, 2025, primarily due to the increase in government subsidies recognized during the six months ended June 30, 2025.

- **Other gains and losses** decreased by RMB2.2 million from a gain of RMB1.0 million for the six months ended June 30, 2024 to a loss of RMB1.2 million for the six months ended June 30, 2025, primarily attributable to the difference in net foreign exchange gain.

- **Research and development expenses** decreased by RMB26.3 million from RMB103.0 million for the six months ended June 30, 2024 to RMB76.7 million for the six months ended June 30, 2025, primarily attributable to our key pipeline advancement and resource reprioritization.

- **Administrative and selling expenses** decreased by RMB3.1 million from RMB31.4 million for the six months ended June 30, 2024 to RMB28.3 million for the six months ended June 30, 2025, primarily attributable to the decrease in share-based compensation.

- As a result of the above factors, **loss and total comprehensive expenses for the period** decreased by RMB26.4 million from RMB135.2 million for the six months ended June 30, 2024 to RMB108.8 million for the six months ended June 30, 2025, primarily attributable to the decrease in R&D investment related to our pipeline advancement.

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

- **Revenue** decreased from RMB4.6 million for the six months ended June 30, 2024 to RMB2.7 million for the six months ended June 30, 2025, primarily attributable to the decrease in CDMO services.

- **Other income** increased by RMB1.8 million from RMB9.6 million for the six months ended June 30, 2024 to RMB11.4 million for the six months ended June 30, 2025, primarily attributable to the increase in government subsidies recognized during the six months ended June 30, 2025.

- **Research and development expenses** excluding the share-based payment expenses decreased by RMB24.7 million from RMB95.5 million for the six months ended June 30, 2024 to RMB70.8 million for the six months ended June 30, 2025, primarily attributable to the decrease of investment on our pipeline advancement and resource prioritization.

- **Administrative and selling expenses** excluding the share-based payment expenses decreased by RMB1.2 million from RMB26.1 million for the six months ended June 30, 2024 to RMB24.9 million for the six months ended June 30, 2025, primarily attributable to the decrease in personnel cost and professional services.

- **Adjusted loss and total comprehensive expenses for the period** excluding the effect of share-based payment expenses decreased by RMB23.0 million from RMB122.4 million for the six months ended June 30, 2024 to RMB99.4 million for the six months ended June 30, 2025, primarily due to the decrease of R&D investment related to our pipeline advancement.

BUSINESS HIGHLIGHTS

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

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

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

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

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

Clinical Programs Achievements

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

- In March 2025, the Hong Kong patent for Claudin18.2 was granted to us by the Intellectual Property Department of Hong Kong.

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

CDx Progress for Osemitamab (TST001)

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

Research/Early Development Update

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

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

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

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

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

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

TST801 (A Bifunctional Fusion Protein for Autoimmune Diseases)

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

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

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

Business Development Achievements

- We have continued the clinical trial collaboration with BMS for the osemitamab (TST001), checkpoint inhibitor and chemotherapy combination in the TranStar102 trial in China and in the TranStar101 trial in the U.S.

- We have advanced our collaboration with Agilent for our Claudin18.2 specific IHC CDx Assay to support the TranStar301 global Phase III pivotal trial of osemitamab (TST001) in combination with checkpoint inhibitor and chemotherapy.

- For osemitamab (TST001), we are engaged in active discussions with potential partners to support global and regional development and commercialization and have received multiple term sheets.

- We are currently in active discussions on partnerships and collaborative opportunities for the Company's pipeline assets such as TST002, TST801, TST808, TST105 and TST013, to leverage global expertise and resources of potential partners for development and commercialization. We are evaluating strategic deal structures, including the formation of Companies ("**NewCo**") to advance preclinical and clinical-stage assets with external funding, reducing risk for the parent company while enabling focused and efficient asset development, to accelerate time to market and maximize asset value.

- In March 25, 2025, the Company together with its wholly-owned subsidiary, HJB (Hangzhou) Co., Ltd* (杭州奕安濟世生物藥業有限公司) ("**HJB Hangzhou**") (collectively, the "**Licensor**"), entered into a non-binding term sheet with an independent third-party Licensee, which sets out the preliminary terms for a potential Definitive Licensing Agreement, with license fee plus royalty (payable upon execution and thereafter at milestones) for the license and technology transfer of certain proprietary HiCB platform technologies and intellectual property owned by the Licensor. We are finalizing the definitive agreement with the Licensee. We are in active discussion with additional global partners interested in licensing our proprietary technology platforms.

- We have strengthened our alliance with companies specialized in siRNA drug substance synthesis, providing CDMO services in siRNA formulation development and F&F.

- Our in-house cell culture media ExcelPro CHO are being evaluated for performance against market standards for fed-batch and perfusion processes by multiple external partners, including several global leading companies of CHO cell culture media business. This provides opportunities for potential collaboration of global commercialization of ExcelPro CHO media.

CMC&CDMO UPDATES

CMC deliverables

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

Platform and technology development

- We continued to improve our in-house cell line expression system and are on track to make it available for the development of the internal programs as well as licensing to CDMO clients and industry partners.

- We established perfusion media for perfusion process we also established basal and feed media for fed-batch process. Those media are ready for commercialization.

CDMO business

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

- We have extended our services to clients in need of drug products in lyophilization dosage form.

- We have continued our efforts in engaging new customers for such services.

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

We are a clinical stage biopharmaceutical company with fully integrated capacities in discovery, research, development, and manufacturing. With the commitment of an experienced team of extensive global clinical research and development capabilities, we are pursuing biological innovations of high scientific and commercial potentials in a variety of therapeutic areas including oncology, osteoporosis, kidney disease and autoimmune diseases.

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

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

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

Our Product Pipeline

We have established a diversified and differentiated pipeline of 16 molecules in oncology, bone disorders and nephrology. All but one of our antibody candidates were generated in-house by our antibody discovery platform covering validated, partially validated, and novel biological pathways, one pipeline candidate (blosozumab (TST002)) was acquired through in-licensing. The following chart summarizes the drug candidates that are currently under development globally across various therapeutic areas as of the date of this announcement:

	Drug candidate	Target	Modality	indications	Preclinical	IND	Phase 1	Phase 2	Pivotal Phase 3	Rights	Partner
Oncology	Osemitamab (TST001)	Claudin18.2	mAb	G/GEJC 1L	Combo with PD1/Chemo					Global	In-house
				G/GEJC 1L	Combo with Chemo						
				PDAC 1L	Combo with Chemo						
	TST003	Gremlin-1 (FIC)	mAb	Solid tumors	Mono					Global	In-house
	TST786	PD1-VEGF and Gremlin-1 (FIC)	TsAbs	Solid tumors	Mono					Global	In-house
	TST006	Claudin 18.2/PDL1	BsAb	Solid tumors	Mono					Global	In-house
	TST010	Undisclosed	mAb	Solid tumors	Mono					Global	In-house
	TST012	FGFR2b	ADC	Solid tumors	Mono					Global	In-house
	TST105	FGFR2b Bi-Specific	ADC	Solid tumors	Mono					Global	In-house
	TST013	LIV-1	ADC	Solid tumors	Mono					Global	In-house
	MSB2311	PD-L1	mAb	Solid tumors	Mono/Combo with VEGRi					Global	In-house
	MSB0254	VEGFR2	mAb	Solid tumors	Mono					Global	In-house
	TST005	PD-L1/TGF-β	BsP	Solid tumors	Mono					Global	In-house
Non-oncology	Blosozumab (TST002)	Sclerostin	mAb	Osteoporosis	Mono			US Ph II Completed		Greater China	Lilly
	TST004	MASP2	mAb	IgAN, TMA	Mono					Global	ALEBUND
	TST008	MSAP2/BAFF (FIC)	BsAb	SLE/LN/IgAN	Mono					Global	In-house
	TST801	BAFF/APRIL (FIC)	BsP	Autoimmune diseases	Mono					Global	In-house
	TST808	Anti-APRIL	mAb	IgAN	Mono					Global	In-house

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

(1) Solid tumors in the "Indications" column include all the tumor types other than hematologic malignancies. The particular tumor types as indications for each product depends on the mechanism of action of the corresponding drug candidate and emerging or established preclinical/clinical evidence. See the subsections headed "Clinical Development Plan" for each of our drug candidates in "Business" section of the prospectus of the Company dated September 14, 2021 for the specific tumor types targeted for clinical development.

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

BUSINESS REVIEW

We have established a diversified and differentiated pipeline of 16 molecules in oncology, bone disorders and nephrology that address serious unmet medical needs for patients. In particular, we are proud to have developed our five best-in-class molecules, TST001, TST002, TST004, TST801 and TST808, and our three first-in-class molecules, TST003, TST786 and TST008. During the first half of 2025, we have made significant progress with our pipeline assets in both oncology and non-oncology therapeutic areas and achieved multiple clinical and preclinical milestones that are listed as follows:

Oncology Program

Our oncology pipeline includes multiple innovative and differentiated biologic molecules targeting major cancer pathways. Several drug candidates, including osemitamab (TST001), MSB0254, TST003, TST105, TST012 and TST013, are designed to achieve anti-tumor activities with different mechanisms that are potentially synergistic with each other for indications with high unmet medical needs. Our key oncology candidates include:

- Osemitamab (TST001), our lead asset, is a potential best-in-class and differentiated antibody targeting Claudin18.2, a validated tumor associated antigen in several solid tumors, including but not limited to gastric and gastroesophageal junction (G/GEJ) cancer, pancreatic cancer and lung cancer. Approvals to launch a global Phase III registration trial (TranStar301) to develop osemitamab (TST001) in combination with checkpoint inhibitor and chemotherapy as the first-line treatment for Claudin18.2 expressing G/GEJ adenocarcinomas have been received from the U.S. FDA, China CDE and South Korea MFDS. Further explorations include other Claudin18.2 expressing tumors in addition to G/GEJ cancer.

- MSB0254 is a high affinity humanized antibody against VEGFR2, with an anti-tumor mechanism of action by inhibiting/normalizing tumor angiogenesis.

- TST003 is a first-in-class humanized antibody targeting GREMLIN-1.

- TST786 is a first-in-class next generation trispecific antibody candidate targeting PD1-VEGF and GREMLIN-1.

- TST012 is an antibody candidate targeting FGFR2b at preclinical stage, targeting biomarker expressing gastric cancer and other solid tumors.

- TST105 is a bispecific ADC candidate targeting FGFR2b and an undisclosed tumor antigen at preclinical stage for biomarker expressing gastric cancer, lung cancer and other solid tumors.

- TST013 is a next generation ADC targeting LIV-1, a clinically validated target antigen in breast cancer. It is at preclinical stage with potential in breast cancer, and other tumor types including lung cancer and prostate cancer.

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

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

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

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

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

Recent Product Developments and Milestones

- In March 2025, the Hong Kong patent for Claudin18.2 was granted to us by the Intellectual Property Department of Hong Kong.

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

CDx Progress for Osemitamab (TST001)

Recent Product Developments and Milestones

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

MSB0254 (A Humanized VEGFR2 mAb Candidate for Solid Tumors)

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

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

TST003 is a first-in-class and high affinity humanized monoclonal antibody targeting GREMLIN-1, a regulatory protein that is highly expressed by stromal cells and tumor cells in diverse human carcinomas, especially in colon cancer, prostate cancer, gastric cancer, lung cancer, esophageal cancer, pancreatic ductal adenocarcinoma and breast cancer. It is currently tested in a global FIH trial at multiple clinical centers in the U.S. and China. Dose escalation as monotherapy has been completed. TST003 has demonstrated good safety and tolerability, and dose proportional PK profiles were observed.

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

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

Recent Product Developments and Milestones

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

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

TST012 is an antibody candidate targeting FGFR2b, targeting biomarker expressing gastric cancer and other solid tumors. We have obtained the lead molecule and finished the cell line development. Such targeted program will be complementary to our osemitamab (TST001) program in gastric cancer. As at the date of this announcement, it is at preclinical stage.

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

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

Recent Product Developments and Milestones

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

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

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

Non-oncology Program

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

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

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

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

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

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

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

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

TST801 (A Bifunctional Antibody Fusion Protein for Autoimmune Diseases)

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

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

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

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

Research and Early Development Efforts

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

Strategic Partnership to Advance Pipeline

Partnerships and collaborations are the key for maximizing the clinical and commercial potential of our assets. We have established clinical trial collaboration with BMS for osemitamab (TST001), in-licensed blosozumab (TST002) rights in the Greater China with Eli Lilly & Company, and are co-developing TST004 in China with Alebund Pharmaceuticals. Additionally, we have established multiple research collaborations, including one with an MNC for one of our pipeline molecules and several with companies for different ADC platforms. We also established multiple translational research collaborations with prominent academic institutions including Dana-Farber Cancer Institute and John Hopkins University.

Details of our existing partnerships are shown below.

Osemitamab (TST001)

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

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

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

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

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

Blosozumab (TST002)

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

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

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

TST004

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

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

TST003

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

TST801

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

TST808 & TST008

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

TST105

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

TST013

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

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

Translational Research Collaborations

We also entered multiple research collaborations with prominent academic institutions around the world, including the Dana-Farber Cancer Institute of Harvard Medical School, John Hopkins University, Beijing Cancer Hospital, Shanghai Pulmonary Hospital, Zhongshan Hospital, Zhongshan University and Shanghai Jiao Tong University. The research collaborations covered osemitamab (TST001), TST003 and TST005.

We also established strategic collaborations with multiple technology platform companies to explore different modalities for innovative targets, including multiple ADC platforms. These research collaborations further enhanced our global leading position in Claudin18.2 targeted combination therapies and strengthened our oncology programs.

Technology Partnership & Advancement

- On March 25, 2025, the Company and HJB Hangzhou, together as Licensor, entered into a non-binding term sheet with an independent third-party Licensee, which sets out the preliminary terms for a potential Definitive Licensing Agreement. Pursuant to the Term Sheet, the parties intend to negotiate and enter into a formal definitive license agreement (the "**Definitive License Agreement**"), pursuant to which the Licensor shall grant the Licensee a non-exclusive, irrevocable, sub-licensable and transferable license to use, manufacture, research, develop and commercialize the licensed products within the designated territory utilizing the Licensor's intellectual property rights ("**CDMO out-licensing**"), in consideration for the payment of a license fee plus royalty, payable upon execution of the Definitive License Agreement, and thereafter at milestones therein specified. We are finalizing the definitive agreement with the Licensee. We are in active discussions with additional potential global partners interested in licensing our proprietary technology platforms or engaging us to develop and optimize cell culture medium for their proprietary cell lines. By actively exploring such CDMO out-licensing opportunities, the Group is a step closer towards transforming its existing CDMO into a more scalable and replicable business model, thereby creating additional revenue streams for the Group.

- Our in-house cell culture media ExcelPro CHO are being evaluated for performance against market standards for fed-batch and perfusion processes by multiple external partners including several global leading companies of CHO cell culture media business. This provides opportunities for potential collaboration of global commercialization of ExcelPro CHO media.

- We have strengthened our alliance with companies specialized in siRNA drug substance synthesis, providing CDMO services in siRNA formulation development and F&F.

CMC & CDMO Updates

CMC Deliverables

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

Platform and Technology Development Advancement

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

- We continued to improve our in-house cell line expression system and are on track to make it available for the development of the internal programs as well as licensing to CDMO clients and industry partners.

- We established perfusion media for perfusion process, we also established basal and feed media for fed-batch process. Those media are ready for commercialization.

CDMO Business

- We have remained at industry-top success rate since the beginning of our operations, with our CDMO business being in support of our global CDMO clients as well as our internal pipeline.

- We have completed CMC packages in support of clients' IND filings. We have expanded our services in siRNA drug product development and increased our exposure to international markets. We are supporting siRNA projects in formulation development and drug product fill finish as well as analytical methods development. We have provided quality consulting services based on our rich experience in quality management.

- We have expanded our services for clients who need drug products in lyophilization dosage form.

- We have continued our efforts and engaged new customers for such services.

EVENTS AFTER THE REPORTING PERIOD

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

FUTURE OUTLOOK

We expect to advance multiple key pipeline molecule programs and continue striving to establish collaboration on our leading assets, other pipeline molecules and advanced technology. We also plan to further advance our technology platform and enhance our CDMO business and revenue. A detailed breakdown of our expected developments for the rest of 2025 is as follows:

Clinical Developments

Osemitamab (TST001)

- We plan to continue to advance our global pivotal trial (TranStar301) of osemitamab (TST001) for first-line G/GEJ cancer patients with Claudin18.2 overexpression. We anticipate submitting pivotal trial application with EMA and regulatory bodies in other regions of the world including Japan.

- We plan to present clinical data from ongoing trials at medical conferences.

- We will continue exploring several Claudin18.2 expressing advanced solid tumors other than G/GEJ cancer, as well as early-stage G/GEJ cancer.

TST003

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

TST013

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

TST801

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

Potential Partnerships

- We expect that the potential collaboration with potential partners will steer our lead asset osemitamab (TST001) into global Phase III trial in the first line CLDN18.2 positive G/GEJ cancer, being the critical first step in establishing osemitamab (TST001) as the cornerstone treatment in Claudin18.2 expressing solid tumors including G/GEJ cancer, PDAC and lung cancer.

- We will continue partnership discussions for our clinical assets blosozumab (TST002), TST003, TST004, and preclinical assets including oncology assets TST105, TST012 and TST013, as well as non-oncology assets TST008, TST801 and TST808 to maximize the value of our assets.

CMC and Technology Developments

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

- We aim to strengthen our marketing initiatives for the HiCB continuous technology platform, cell culture media products, and development services to attract industry partners for technology licensing and media business collaborations.

- We plan to continue lyophilization technology development to better serve our clients.

CDMO

- We will continue to strengthen and expand BD activities globally to increase CDMO contracts from both China and U.S. clients.

- We plan to increase our competitiveness by improving operational efficiency, reducing cost and expanding new capabilities.

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

FINANCIAL REVIEW

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

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

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

SELECTED DATA FROM STATEMENT OF FINANCIAL POSITION

	At June 30, 2025 ***RMB'000*** **(Unaudited)**	At December 31, 2024 *RMB'000* (Audited)
Non-current assets	**897,238**	920,783
Current assets	**141,462**	279,494
Total assets	**1,038,700**	1,200,277
Current liabilities	**287,942**	342,507
Non-current liabilities	**98,624**	106,134
Total liabilities	**386,566**	448,641
Net current liabilities	**(146,480)**	(63,013)

1. Revenue

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

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

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

Disaggregated revenue information:

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

2. Other Income

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

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

3. Other Gains and Losses, Net

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

4. Research and Development Expenses

Research and development expenses primarily consist of preclinical expenses including testing fee and preclinical trial expenses, staff cost for our research and development personnel, clinical expenses including testing fee and clinical trial expenses, materials consumed for research and development of our drug candidates, depreciation and amortization expenses and others. The research and development expenses decreased by RMB26.3 million from RMB103.0 million for the six months ended June 30, 2024 to RMB76.7 million for the six months ended June 30, 2025, primarily due to the decrease on investment of our key pipeline advancement and resource reprioritization.

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

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

5. Administrative and selling expenses

Our administrative expenses decreased by RMB3.1 million from RMB31.4 million for the six months ended June 30, 2024 to RMB28.3 million for six months ended June 30, 2025, primarily due to the decrease in personnel cost and professional services.

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

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

	Six months ended June 30,	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Salaries and related benefits costs	**12,727**	15,808
Professional fees	**7,064**	7,361
Depreciation and amortization expenses	**2,634**	2,977
Office expenses	**3,491**	3,169
Others	**2,375**	2,125
	28,291	31,440

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE EXPENSE

FOR THE SIX MONTHS ENDED JUNE 30, 2025

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2025

	NOTES	**At 30 June 2025** ***RMB'000*** **(Unaudited)**	At 31 December 2024 *RMB'000* (Audited)
Non-current assets			
Property, plant and equipment		**298,188**	321,101
Right-of-use assets		**21,652**	23,206
Goodwill		**471,901**	471,901
Interests in a joint venture		**1,297**	1,293
Deposits paid for acquisition of property, plant and equipment		**2,980**	1,938
Value-added-tax ("**VAT**") recoverable		**4,808**	4,858
Intangible assets		**95,708**	95,752
Other receivables	*7*	**424**	454
Pledged bank deposits		**280**	280
		897,238	920,783
Current assets			
Inventories		**15,138**	16,620
Trade and other receivables	*7*	**20,311**	31,107
Contract costs		**3,029**	2,132
VAT recoverable		**2,202**	2,512
Pledged bank deposits		**54,972**	57,700
Bank balances and cash		**45,810**	169,423
		141,462	279,494
Current liabilities			
Trade and other payables	*8*	**96,287**	113,929
Contract liabilities		**705**	547
Short-term borrowings		**184,046**	217,090
Lease liabilities		**2,504**	2,541
Deferred income		**4,400**	8,400
		287,942	342,507
Net current liabilities		**(146,480)**	(63,013)
Total assets less current liabilities		**750,758**	857,770

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

NOTES TO THE INTERIM FINANCIAL INFORMATION

1. BASIS OF PREPARATION

Going concern assessment

The Group incurred a net loss of RMB109,785,000 and a net operating cash outflow of RMB75,705,000 for the six-month period ended 30 June 2025, and as of that date, the Group has net current liabilities of approximately RMB146,480,000. In addition, the Group has capital commitment of approximately RMB5,002,000 as at 30 June 2025. These events and conditions may cast significant doubt on the Group's ability to continue as going concern. The Group has been undertaking a number of plans and measures to mitigate its liquidity pressure and to improve its financial position and the condensed consolidated financial statements have been prepared on a basis that the Group will be able to continue as a going concern.

2. APPLICATION OF AMENDMENTS TO IFRS ACCOUNTING STANDARDS

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

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

Application of amendments to IFRS Accounting Standards

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

Amendments to IAS 21	Lack of Exchangeability

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

3. REVENUE

Disaggregated revenue information:

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

Segment Information

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

Geographical information

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

All the Group's revenue from external customers is derived from the PRC. As at 30 June 2025 and 31 December 2024, all the non-current assets are located in the PRC.

Information about major customers

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

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Customer A	**1,226**	N/A
Customer B	**373**	–
Customer C	**308**	N/A
Customer D	**–**	1,763
Customer E	**–**	607

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

4. OTHER GAINS AND LOSSES, NET

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

5. INCOME TAX CREDIT

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

6. LOSS PER SHARE

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

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Loss		
Loss for the period attributable to the owners of the Company for the purposes of calculating basic and diluted loss per share	**(109,785)**	(133,722)
Number of weighted average ordinary shares		
Weighted average number of ordinary shares for the purpose of calculating basic and diluted loss per share	**406,939,951**	405,633,640

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

For six months ended 30 June 2025 and 2024, the computation of diluted loss per share did not assume the exercise of share options and the vesting of restricted share units since their assumed exercise or vesting would result in a decrease in loss per share.

7. TRADE AND OTHER RECEIVABLES

Details of trade and other receivables are as follows:

	At 30 June	At 31 December
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Trade receivables	**31,704**	31,376
Less: Allowance for credit losses	**(22,977)**	(13,031)
Trade receivables, net of allowance for credit losses	**8,727**	18,345

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

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

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

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

8. TRADE AND OTHER PAYABLES

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

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

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

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

9. DIVIDENDS

No interim dividend was paid or declared by the Company for ordinary shareholders of the Company for the six months ended June 30, 2025, nor has any dividend been proposed since the end of the reporting period (2024: nil)

Other Comprehensive Income (Expense)

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

Non-IFRS Measure

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

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

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

Employees and Remuneration Policies

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

	Number of employees	% of total number of employees
Research and Development	**80**	**46.78**
General and Administrative	**42**	**24.56**
Manufacturing	**49**	**28.65**
Total	**171**	**100.00**

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

Our employee remuneration comprises salaries, bonuses, social security contributions and other welfare payments. In accordance with applicable Chinese laws, we have made contributions to social security insurance funds (including pension plans, medical insurance, work-related injury insurance, unemployment insurance and maternity insurance) and housing funds for our employees. The total employee benefit expenses for the six months ended June 30, 2025 was RMB 13,244,000.

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

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

Liquidity and Financial Resources

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

As of June 30, 2025, bank balances and cash, pledged bank deposits and time deposits were RMB101.1 million, as compared to RMB227.4 million as of December 31, 2024. The decrease was mainly due to the operating cashflow out.

Gearing Ratio

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

Other Financial Information

Significant Investments, Material Acquisitions and Disposals

The Group did not make any significant investments (including any investment in an investee company with a value of five percent or more of the Group's total assets as at June 30, 2025) during the Reporting Period. The Group did not have any material acquisitions or disposals of subsidiaries, associated companies or joint ventures for the six months ended June 30, 2025.

Foreign Exchange Risk

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

Bank Loans and Other Borrowings

As at June 30, 2025, borrowings amounting to RMB48,000,000 are secured by time/pledged bank deposits of RMB50,000,000.

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

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

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

	Six months ended June 30,	
	2025	2024
	RMB'000	*RMB'000*
US$	–	–

Contingent Liabilities

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

Funding and Treasury Policy

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

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

Going concern issues

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

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

The Management's assessment on the Disclaimer of Conclusion

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

The Directors' view on the Disclaimer of Conclusion

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Audit Committee's view on the Disclaimer of Conclusion

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

Extract of Independent Auditor's Report

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

Basis for Disclaimer of Conclusion

Going Concern

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

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

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

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

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

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

Disclaimer of Conclusion

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

CORPORATE GOVERNANCE AND OTHER INFORMATION

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

The Company is committed to maintaining and promoting stringent corporate governance. The principle of the Company's corporate governance is to promote effective internal control measures and to enhance the transparency and accountability of the Board to all Shareholders.

The Company has adopted the principles and code provisions set out in the Corporate Governance Code contained in Appendix C1 (as amended from time to time) to the Listing Rules (the "**CG Code**") as the basis of the Company's corporate governance practices.

The Board is committed to achieving high corporate governance standards. The Board believes that high corporate governance standards are essential in providing a framework for the Group to safeguard the interests of Shareholders and to enhance corporate value and accountability.

Compliance with the Corporate Governance Code

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

Code provision C.2.1 of Part 2 of the CG Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. The Company does not have a separate chairman and chief executive officer and Dr. Xueming Qian currently performs these two roles. The Board believes that vesting the roles of both chairman and chief executive officer in the same person has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient overall strategic planning for the Group. The Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable the Company to make and implement decisions promptly and effectively. The Board will continue to review and consider splitting the roles of chairman of the Board and the chief executive officer of the Company at a time when it is appropriate by taking into account circumstances of the Group as a whole.

Further information of the corporate governance practice of the Company will be disclosed in the annual report of the Company for the year ended December 31, 2025. The Company will continue to regularly review and monitor its corporate governance practices to ensure compliance with the CG Code, and maintain a high standard of corporate governance practices of the Company.

Compliance with the Model Code for Securities Transactions by Directors

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

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

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

Change of Chief Medical Officer

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

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

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

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

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

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

Purchase, Sale or Redemption of the Company's Listed Securities

During the Reporting Period, the Company repurchased a total of 166,500 ordinary shares (the "**Shares Repurchased**") of the Company on the Stock Exchange at an aggregate consideration of approximately HK$99,959.45. The repurchase of shares was conducted to enhance the value in the shares of the Company and for the benefits of the Company and the Shareholders as a whole. Particulars of the Shares Repurchased are as follows:

Month of Repurchase	**No. of Shares Repurchased**	**Repurchase price per share or highest repurchase price per share** *(HK$)*	**Lowest repurchase price per share** *(HK$)*	**Aggregate Consideration** *(HK$)*
2025				
January	166,500	0.6100	0.5800	99,959.45
Total	**166,500**	**–**	**–**	**99,959.45**

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

Save as disclosed above and in the section headed "Other Financial Information", neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's securities (including any sale of treasury shares (as defined under the Listing Rules)) listed on the Stock Exchange during the Reporting Period and up to the date of this announcement. As at June 30, 2025, the Company held 2,516,500 treasury shares, which may be used for transfer or for share grants under share schemes that comply with Chapter 17 of the Listing Rules, resale at market price to raise additional funds when the Company thinks appropriate, and for other purposes permitted under the Listing Rules, the Articles of Association and the applicable laws of the Cayman Islands, subject to market conditions and our Group's capital management needs.

Material Litigation

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

Future Plans for Material Investment or Capital Assets

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

Use of Net Proceeds

Background

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

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

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

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

Use of Net Proceeds	**Amount of utilized Net Proceeds as at June 30, 2025[1]**	**Amount of unutilized Net Proceeds as at June 30, 2025[1]**	**Amount utilized during the Reporting Period**	**Allocation of Net Proceeds before the Updated Change in Use of Net Proceeds**	**Intended allocation of the remaining Net Proceeds after the Updated Change in Use of Net Proceeds**		**Expected timeline of full utilization of the unutilized Net Proceeds[2]**
					% of remaining unutilized Net Proceeds (approximately)		
	HK$ million	*HK$ million*	*HK$ million*	*HK$ million*		*HK$ million*	
1. Research and development of our pipeline product candidates, funding of ongoing and planned clinical and preclinical trials, preparation for registration filings and other steps or activities related to the commercialization of our four anchor products (the "**Relevant Use**") as follows:	467.3	20.8	51.0	488.1	100	30.8	On or before December 31, 2025
(i) fund ongoing and planned clinical trials, preparation for registration filings and potential commercial launch (including sales and marketing) of our key product, osemitamab (TST001)	349.5	–	42.8	349.5	83.1	25.6	On or before December 31, 2025
(ii) fund ongoing and planned clinical trials, preparation for registration filings and potential commercial launch (including sales and marketing) of our key product, TST005	12.3	9.7	0.3	22.0	6.5	2.0	On or before December 31, 2025
(iii) fund ongoing and planned clinical trials, preparation for registration filings and potential commercial launch (including sales and marketing) of our key product, TST002	31.1	11.0	–	42.1	–	–	On or before December 31, 2025
(iv) fund ongoing and planned preclinical trials and preparation for registration filings of our key product and other pipeline products, including TST004, MSB0254, TST003, TST006 and TST008	74.5	–	8.0	74.5	10.4	3.2	On or before December 31, 2025

Use of Net Proceeds	Amount of utilized Net Proceeds as at June 30, 2025[1]	Amount of unutilized Net Proceeds as at June 30, 2025[1]	Amount utilized during the Reporting Period	Allocation of Net Proceeds before the Updated Change in Use of Net Proceeds	Intended allocation of the remaining Net Proceeds after the Updated Change in Use of Net Proceeds		Expected timeline of full utilization of the unutilized Net Proceeds[2]
					% of remaining unutilized Net Proceeds (approximately)		
	HK$ million	*HK$ million*	*HK$ million*	*HK$ million*		*HK$ million*	
2. Fund the business development for pipeline expansion and technology development, with a focus in oncology assets that have synergy with our current pipeline and promising clinical evidences, and/or technology platforms that can complement our current discovery and development platforms, such as ADC, small molecule targeted therapies, and other advanced new technologies	–	10.0	–	10.0	–	–	On or before December 31, 2025
3. For general working capital purposes and general operation expenses	55.3	–	–	55.3	–	–	N/A
Total	522.7	30.8	51.1	553.4	100	30.8	N/A

Notes:

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

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

REASONS FOR THE UPDATED CHANGE IN USE OF NET PROCEEDS

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

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

The Board has considered the impact of the Updated Change in Use of Net Proceeds on the Group's business and is of the view that the reallocation of the unutilized Net Proceeds will enable the Group to utilize its cash resources to meet the overall financial needs of the Group more efficiently in light of the latest development of the Group's business and its actual operating conditions. The Board further confirms that there is no material change in the business of the Group as set out in the Prospectus, and that it will closely monitor the utilization of the remaining utilized Net Proceeds to ensure effective deployment of resources. The Board considers that the Updated Change in Use of Net Proceeds will not have any material adverse impact on the operations of the Group and is in line with our vision and in the best interests of the Company and its shareholders as a whole.

We expect to gradually utilize the remaining unutilized Net Proceeds, in accordance with the Updated Change in Use of Net Proceeds detailed above, by the end of 2025. The aforesaid expected timeline of full utilization of the Net Proceeds is based on the Directors' best estimation barring unforeseen circumstances, and is subject to change in light of future development or any unforeseen circumstances. Save for the above, there is no other change in use of the remaining unutilized Net Proceeds. Meanwhile, the Board will continuously assess the use of the unutilized Net Proceeds and may revise or amend the use where necessary to cope with the changing market conditions and strive for better business performance of the Group.

Audit Committee

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

The Audit Committee has reviewed the unaudited consolidated financial statements of the Group for the six months ended June 30, 2025 and has met with the independent auditor, Deloitte Touche Tohmatsu. The Audit Committee has also discussed matters with respect to the accounting policies and practices adopted by the Company, internal control and financial reporting matters with senior management members of the Group. The Audit Committee considers that this announcement is in compliance with the relevant accounting standards, rules and regulations and appropriate disclosures have been duly made.

Other Board Committees

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

INTERIM DIVIDEND

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

PUBLICATION OF THE INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

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

The 2025 interim report of the Group for the six months ended June 30, 2025 will be published on the aforesaid websites of the Stock Exchange and the Company and will be dispatched to the Company's shareholders who have already provided instructions indicating their preference to receive hard copies in due course.

APPRECIATION

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

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

Hong Kong, August 27, 2025

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