Immunotech Biopharm Ltd
永泰生物製藥有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 6978)

ANNOUNCEMENT OF THE INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2024

HIGHLIGHTS FOR THE SIX MONTHS ENDED 30 JUNE 2024

	For the six months ended 30 June		
	2024	2023	Change
	RMB'000	*RMB'000*	*(%)*
	(unaudited)	(unaudited)	
Other income	**6,526**	5,533	17.9
Other gains and losses, net	**19,836**	(20,269)	(197.9)
Administrative expenses	**(23,048)**	(25,035)	(7.9)
Research and development expenses	**(91,118)**	(74,315)	22.6
Finance costs	**(3,851)**	(4,372)	(11.9)
Other expenses	**(901)**	(144)	525.7
Loss before tax	**(92,556)**	(118,602)	(22.0)
Income tax expense	**–**	–	–
Loss and total comprehensive expense for the period	**(92,556)**	(118,602)	(22.0)

	For the six months ended 30 June		
	2024	2023	Change
	RMB'000	*RMB'000*	*(%)*
	(unaudited)	(unaudited)	
Loss and total comprehensive expense for the period attributable to:			
Owners of the Company	**(92,515)**	(118,114)	(21.7)
Non-controlling interests	**(41)**	(488)	(91.6)
	(92,556)	(118,602)	
Loss per share	***RMB***	*RMB*	
– Basic	**(0.18)**	(0.23)	
– Diluted	**(0.18)**	(0.23)	

	At 30 June 2024	At 31 December 2023	Change
	RMB'000	*RMB'000*	*(%)*
	(unaudited)	(audited) (restated)	
Non-current assets	**538,889**	632,390	(14.8)
Current assets	**180,830**	213,894	(15.5)
Current liabilities	**(478,206)**	(530,275)	(9.8)
Net current liabilities	**(297,376)**	(316,381)	(6.0)
Non-current liabilities	**(163,179)**	(145,119)	12.4
Net assets	**78,334**	170,890	(54.2)

The Board hereby announces the unaudited consolidated interim results of the Group for the six months ended 30 June 2024, together with the comparative figures for the corresponding period in 2023.

CORPORATE PROFILE

Overview

The Group is a leading cellular immunotherapy biopharmaceutical company in China focusing on the research, development, and commercialisation of T cell immunotherapy for almost 18 years. EAL® – its Core Product Candidate – is a multi-target cellular immunotherapy product with more than a decade of track record of clinical application and has shown efficacy in the treatment of various types of cancer. EAL®– related research began in 2006, and the Group has improved upon the cell culture system and methods, and developed the proprietary, patented technology platform for the production of EAL® cells.

The Group selected the prevention of postsurgical recurrence of liver cancer as the clinical indication for the clinical trial of EAL®. It plans to submit the application for the commercialisation of EAL® in the PRC market after achieving statistically significant result for its clinical trials.

The Group's product pipeline features major classes of cellular immunotherapy products, including both non-genetically-modified and genetically-modified products, as well as both multi-target and single-target products. Other than EAL®, the main product candidates include 6B11, the CAR-T cell series and the TCR-T cell series.

Composed of experienced cancer immunologists, the core technology team is equipped with industry foresight and sensitivity. The R&D organisational structure encompasses early research, pre-clinical studies, clinical studies, and commercialised production and management, allowing for rapid implementation of the product R&D efforts.

The Group has also established technology platforms necessary for the R&D of cellular immunotherapy products and in place an organisational and management platform for clinical trials.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

R&D of the product candidates

The following chart summarises the product candidates and their R&D status as at the date of this announcement:

Product Categories		Product Code	Therapeutic Area	Indications	Early Research	Pre-clinical Studies	IND	Clinical Stage		NDA
								Clinical Phase I	Clinical Phase II	
Non-genetically Modified Products		EAL®	Solid Tumours	Liver cancer after surgery						
		6B11		Platinum resistant ovarian cancer (OC)						
Genetically Modified Products	CAR-T	CAR-T-19	Hematologic Malignancies	Relapsed/refractory B-cell acute lymphoblastic leukemia (r/r B-ALL) under 25 years of age						
		Denocabtagene Ciloleucel Injection		Relapsed or refractory diffuse large B-cell lymphoma						
	TCR-T	TCR-T-CMV	Post-transplantation Infections	CMV infection after hematopoietic stem cell transplantation						
		TCR-T-HBV	Solid Tumours	HBV-related liver cancer						
	VAC	VAC-aT19	Hematologic Malignancies	Sequential CD19 CAR-T for relapsed or refractory B hematologic malignancies						

Cautionary statement required by Rule 18A.08(3) of the Listing Rules: The Company may not be able to ultimately develop and market its product candidates (including its Core Product Candidate) successfully.

Non-genetically modified cell product pipeline

EAL®

EAL® is a multi-target cellular immunotherapy product with more than a decade of track record of clinical application in the treatment of cancer. It is a preparation of activated and expanded T cells originally taken from a patient's autologous peripheral blood and cultured using the patented methods. The main active component of the product is $CD8^+$ cytotoxic T cells, and its surface marker is the CD3 molecule.

EAL® is undergoing Phase II clinical trial with the postsurgical recurrence of liver cancer selected as the clinical indication. Based on the Group's communications with the CDE, the Group may apply for marketing approval for EAL® indicated for the prevention of postsurgical recurrence of liver cancer using the interim results of the ongoing clinical trial or the final results at the end of the clinical trial if such results are statistically significant. The Group may further communicate with the CDE to facilitate the assessment after obtaining clinical trial results that support the efficacy of EAL®. In September 2023, EAL® was granted breakthrough therapy designation for the prevention of postsurgical recurrence of liver cancer by the CDE. The designation was granted based on the solid clinical efficacy and safety data of EAL®. Drug candidates with breakthrough therapy designation may be considered for conditional approval and priority review when submitting a new drug application. According to the CDE, the breakthrough therapy designation provides opportunities for more intensive CDE guidance and discussion with respect to clinical trials and development strategy, and for priority review later. Accordingly, it is expected that the clinical development of EAL® would be expedited, which should accelerate its early access to the patients.

As at the date of this announcement, the Group has completed the enrolment of 430 targeted patients for the Phase II clinical trial. The Group is confident that it could submit the NDA for the product to the NMPA in the second half of 2024 and hopefully will launch the product in 2025.

6B11-OCIK Injection

6B11-OCIK Injection is an injection of ovarian cancer autologous cytotoxic T Lymphocyte. 6B11 is the monoclonal anti-idiotypic antibody prepared by Beijing Weixiao with COC166-9 immunised mice with monoclonal antibody to mimic ovarian cancer-related antigen OC166-9. The use of 6B11 can induce specific anti-ovarian cancer humoral and cellular immune antibodies in vitro, which can be cultured and proliferated in vitro (6B11-OCIK Injection) and infused back to the subject to achieve the purpose of specifically killing tumour cells.

As at the date of this announcement, the Group has completed the enrolment of six targeted patients for the Phase I clinical trial for 6B11-OCIK Injection and has completed the preliminary analysis and the interim results of the ongoing clinical trial. The Group will conduct the Phase II clinical trials at the appropriate time according to operational arrangements.

Genetically modified cell product pipeline

CAR-T cell product pipeline

CAR-T-19 Injection

The CAR-T-19 series forms the core of the CAR-T cell product pipeline. CAR-T-19 Injection is indicated for the treatment of pediatric and young adult patients up to and including the age of 25 with B-ALL. The CAR-T-19 Injection product candidate has shown efficacy in a clinical study, and the IND application for the product candidate with B-ALL as the clinical indication was accepted for processing by the CDE in August 2019.

In December 2020, the Group received an approval of the IND for clinical trials of CAR-T-19 Injection from the CDE. Following the IND approval, the Group has commenced Phase I clinical trial process for the CAR-T-19 Injection and presented the Phase I clinical trial protocol and proposed timetable in a kick-off conference meeting, which took place in Beijing on 25 February 2021. In October 2023, the Group applied to the CDE for the commencement of the Phase II clinical trial work. As at the date of this announcement, the Group has completed the enrolment of 25 targeted patients for the Phase II clinical trial for CAR-T-19 Injection. It is expected that the targeted patients enrolment would be completed and the preliminary analysis and results would be published in the first half of 2026.

Denocabtagene Ciloleucel Injection

Denocabtagene Ciloleucel Injection, originally known as RC19D2, CAR-T-19-D2 and CART-19-DNR, targets immunosuppressive molecule TGF-ß, is an injection for the treatment of patients with relapsed and refractory diffuse large B-cell lymphoma. The injection has the goal of overcoming CAR-T cells' pain points in terms of the lack of persistence, the lack of efficacy in the treatment of solid tumours, and in the prevention of tumour recurrence. In March 2023, the Group has obtained the clinical approval for the Denocabtagene Ciloleucel Injection from the NMPA. As at the date of this announcement, the Group has completed the enrolment of eight targeted patients for the Phase I clinical trial for the Denocabtagene Ciloleucel Injection. It is expected that the targeted patients enrolment would be completed in the year end of 2024 and the preliminary analysis and results would be published in the first half of 2025.

aT19 Injection

The active component of the aT19 Injection product candidate is autologous or after stem cell transplantation T cells genetically modified to express CD19. The gene introduced therein is an encoded gene structure that can express human CD19 protein. The reinfusion of the aT19 Injection after injecting the CAR-T-19 Injection has the potential to reactivate CAR-T cells, restart the proliferation of CAR-T cells, and induce more immune memory cells, thereby increasing the chance of killing trace amounts of residual CD19-positive tumour cells and of preventing recurrence. Through multiple stimulations from CD19 antigen, the number of CAR-T cells with immune memory function may also increase, thereby prolonging the immune surveillance duration of CAR-T cells and reducing the probability of recurrence of CD19-positive tumours. As at the date of this announcement, the Group has received an approval of the IND for the Phase I clinical trial from the CDE for the aT19 Injection in February 2024. The Group will conduct the Phase I clinical trials at the appropriate time according to operational arrangements.

Based on the technology of the CAR-T-19 Injection, the Denocabtagene Ciloleucel Injection and aT19 Injection product candidates have the ultimate goal of overcoming CAR-T cells' pain points in terms of the lack of persistence, the lack of efficacy in the treatment of solid tumours, and in the prevention of tumour recurrence. If verified, the technology underlying these two product candidates may be used in the genetic modification of other CAR-T and TCR-T cell products targeting solid tumours.

TCR-T cell product pipeline

TCR-T cell therapy is an immunotherapy based on the reinfusion of tumour antigen-specific T cells. The Group established single-cell sequencing-based technology platform to obtain different HLA-restricted TCR coding sequences for specific antigens. Subsequently, the TCR genes are inserted into the self-constructed lentiviral vector for transduction into T cells, and then the killing effect on tumour cells is confirmed by an in vitro and in vivo model. In this way, the Group intends to finally prepare a gene database for TCRs where different antigenic specificities presented by common HLA could be recognised.

To overcome the immunosuppressive mechanisms of tumours, the Group has constructed expression vectors that co-express TCR and CXCR3, IL-12, or TGF-ß DNR, and it plans to use transplanted tumour models to investigate their effects on the therapeutic effect of TCR-T cells, thereby laying the foundation for the development of the next generation of TCR-T cell products for the treatment of solid tumours.

The Group has a number of TCR-T cell product candidates under pre-clinical studies, with the relevant target antigens including the HERV-E antigen expressed in clear cell renal cell carcinoma, and antigens derived from viruses such as CMV and HBV.

In January 2021, the Company entered into a license agreement with T-Cure, an independent third party, granting the Company an exclusive license to use its patent rights and technology for the development, manufacturing and commercialisation of licensed products in certain territories in the field of immunotherapy for renal cell carcinoma. The transfer of the relevant technologies agreed upon in the agreement was completed in March 2022. During the Reporting Period, the license agreement was terminated, the Group did not plan to continue the development activities in relation to such licensed technology.

Cautionary statement required by Rule 18A.08(3) of the Listing Rules: the Company cannot guarantee that the Core Product Candidate and other product candidates will ultimately be successfully developed and marketed.

The Group's facilities

The Group has a total area of approximately 27,604 sq.m. for a R&D and manufacturing centre in Beijing, the PRC, which includes a quality inspection building and clean laboratory. Such facilities are capable of supporting our pre-clinical and clinical R&D of cellular immunotherapy product candidates, as well as the early production needs upon marketing approval for the product candidates. All these facilities have been issued clean facility (area) inspection reports by the Beijing Institute for Drug Control. Leadman manufacturing shop and the Guosheng Laboratory in Beijing have the capacity to handle approximately 40,000 samples per year, and can satisfy the needs from the clinical trials for its product pipeline for two to three years, as well as the early production needs from the commercialisation of EAL®.

In order to expedite our clinical trials and prepare for future commercialisation roadmap, the Group is planning to establish R&D and production centres in densely-populated areas in China in view of the six-hours transportation radius for EAL®, namely:

- Northern China region:

    - On 17 June 2021, the commencement ceremony for the construction of the R&D and industrialisation base took place, which marked the official launch of the construction project of the Group's R&D and industrialisation base in Beijing. The expected investment for the Beijing production centre would amount to approximately RMB1.2 billion, which is expected to be financed by a bank loan. After completion, the Beijing Production Centre is expected to reach an annual production capacity of over 200,000 batches of cells, covering the domestic Northern and Northeast markets in China.

- Eastern China region:

    - In February 2021, Beijing Yongtai, entered into a cooperation framework agreement with the Shaoxing Binhai New Area Management Committee* (紹興濱海新區管理委員會) in relation to, among others, establishing the proposed production centre of EAL® for the Eastern China region, the proposed joint establishment of academician workstations with universities and research institutions in the PRC, the proposed land development regarding the project and the proposed establishment of the Industry Fund, targeted the investments in the upstream and downstream industrial chain of, among other things, cellular immunotherapy. At present, the total investment for the project is expected to be approximately RMB1.0 billion. The first phase of construction of proposed production centre of EAL® for the Eastern China region is expected to complete within 60 months after obtaining the relevant land title certificate. As at the date of this announcement, the Group has commenced the construction of the production centre in Shaoxing.

- On 11 May 2022, Shanghai Yongtai Immunobiological Products Co Ltd (上海永泰免疫生物製品有限公司) as the leasee, entered into a land use rights grant contract with Shanghai Songjiang Bureau of Planning and Natural Resources* (上海市松江區規劃和自然資源局) as the leasor, in relation to lease a land located in Shanghai Songjiang Industrial Area, with a total site area of approximately 21,848.6 sq.m. (the "**Land**"). The Land is for industrial use and the term of the land use right for the Land is 20 years from the delivery date of the Land. The Company intends to use the Land for R&D centre of the product candidates in the Eastern China region.

Quality assurance

The Group has formulated its quality management documentation in accordance with GMP, covering production process procedures, product quality standards, equipment and facilities operation procedures, inspection procedures, sample retention and sampling management procedures, personnel training, environmental monitoring, verification and confirmation, deviation inspection, and quality risk control management procedures. The Group has standardised the selection, purchase, inspection, release, production process, inspection process, product storage, and transportation of the materials used in the products to ensure full compliance with relevant laws and regulations and GMP requirements. Under the Group's quality management procedures, final products can be released only after quality inspection, in order to ensure that the products meet the relevant standards and intended use.

In particular, the production of EAL® and CAR-T-19 Injection have achieved standardisation. The Group has developed comprehensive standards in relation to the production process in order to ensure that the products are of consistent quality.

To ensure that the final products meet quality standards, all quality issues during the production process are documented, escalated to, and reviewed by senior management. The Group also conducts a formal risk assessment and justification in accordance with the standards and procedures under the quality management system and policies.

The head of the quality department reports directly to the CEO. There are two sub-teams within the quality department and they are responsible for quality assurance and quality control respectively. As at 30 June 2024, the Company had 45 staff members in the quality department.

Future and outlook

Expedite the clinical trial and prepare for commercialisation of EAL®

The Group plans to fully promote the application, production and quality verification of the Phase II clinical trial of EAL®, with a view to accelerating registration and data collection, while preparing for future commercialisation.

Cellular immunotherapy products are subject to diminishing cell activity once taken out of the laboratory. As at the date of this announcement, the Company confirmed the sites in Beijing, Shaoxing and Shanghai to construct production centres. The Company is planning to establish R&D and production centres in densely-populated areas in China in view of the six-hours transportation radius for EAL®. After establishing its presence in Beijing, Shaoxing and Shanghai, the Company plans to build production centres in other major cities such as Guangzhou and Chengdu.

The first patient for the Phase II clinical trial for EAL® was enrolled in September 2018, and as at the date of this announcement, the Company has completed the enrolment of 430 targeted patients for the Phase II clinical trial. The Group is confident that it could submit the NDA for the product to the NMPA in the second half of 2024 and hopefully will launch the product in 2025.

Advance the pre-clinical studies for pipeline products, and accelerate their entry into clinical trials

The Group plans to continue to invest into its CAR-T and TCR-T cell product pipelines. In particular, in March 2023, the Group has obtained the clinical approval for the Denocabtagene Ciloleucel Injection from the NMPA. In February 2024, the Group has obtained the clinical approval for the aT19 Injection from the NMPA.

Patients often suffer from viral infections after hematopoietic stem cell transplantation (HSCT)/solid organ transplant (SOT). CMV infection is a major cause of morbidity and mortality among those patients and is one of the most common risk factors. By genetically transducing general T cells with TCR genes that specifically recognise CMV-associated antigens, there is a potential for the treatment of CMV infection-related malignancies. The first product candidate in this category is the TCR-T-CMV, which is targeted to enter its clinical trial in 2025.

Enhance the technology platform and strengthen the product pipeline

The Company is committed to continuing its studies in cellular immunotherapy products appropriate for different tumour types and stages with improved efficacy compared to currently-available products.

In the area of neoantigens formed from tumour mutations in solid tumours, the Company intends to identify antigen-specific TCRs suitable for different individuals, with a view to ultimately constructing a gene database for TCRs targeting of tumour neoantigens in an effort to conduct research into molecule-specific TCR-T cell products for the treatment of solid tumours. In the area of malignant disease caused by viruses such as CMV and HBV, the Group is conducting research into TCR-T cell products targeting at cells expressing virus antigens.

Develop viral vector production and early-stage R&D services business

The Company established the viral vector production system, which it meets the pharmaceutical production quality standards under GMP requirements. The viral vectors that the Company has produced meet the requirements for biological products and can be produced in scale. At present, domestic CAR-T cells companies often order viral vectors from abroad.

Due to the high degrees of individualisation and the nature as biological active products, cellular immunotherapy products are subject to R&D carried out through a systematic technology platform covering cell preparation, cell quality control, cell potency studies, cell safety studies, etc. In the absence of such platform, the productization of the cells would be difficult. The Group began to carry out CDMO business during the Reporting Period, based on the systematic technology platform established by the Group for the R&D of cellular immunotherapy products, and it can provide customised services according to the needs of customers.

Expand strategic collaboration and explore acquisition opportunities on the basis of organic growth

Based on endogenous growth, the Company plans to expand strategic collaboration and explore acquisition opportunities to seek the sale, technology transfer and strategic cooperation of existing and research products. The Company will also continue to seek new potential directions for the development of cellular immunotherapy products and explore opportunities for mergers and acquisitions and strategic cooperation.

FINANCIAL INFORMATION

The financial information set out below in this announcement represents an extract from the interim condensed consolidated financial information, which is unaudited but has been reviewed by the Audit Committee.

FINANCIAL REVIEW

The following table summarises the Group's results of operations for the six months ended 30 June 2024 and 2023:

	For the six months ended 30 June			
	2024	2023	Change	Change
	RMB'000	*RMB'000*	*RMB'000*	*(%)*
	(unaudited)	(unaudited)		
Other income	**6,526**	5,533	993	17.9
Other gains and losses, net	**19,836**	(20,269)	40,105	(197.9)
Administrative expenses	**(23,048)**	(25,035)	1,987	(7.9)
Research and development expenses	**(91,118)**	(74,315)	(16,803)	22.6
Finance costs	**(3,851)**	(4,372)	521	(11.9)
Other expenses	**(901)**	(144)	(757)	525.7
Loss before tax	**(92,556)**	(118,602)	26,046	(22.0)
Income tax expense	**–**	–	–	–
Loss and total comprehensive expense for the period	**(92,556)**	(118,602)	26,046	(22.0)
Loss and total comprehensive expense for the period attributable to:				
Owners of the Company	**(92,515)**	(118,114)	25,599	(21.7)
Non-controlling interests	**(41)**	(488)	447	(91.6)
	(92,556)	(118,602)		
Loss per share	***RMB***	*RMB*		
– Basic	**(0.18)**	(0.23)		
– Diluted	**(0.18)**	(0.23)		

Other income

Other income of the Group increased by approximately 17.9% from approximately RMB5.5 million for the six months ended 30 June 2023 to approximately RMB6.5 million for the six months ended 30 June 2024, which was primarily due to the increase in government grants for machinery during the Reporting Period.

Set out below are the components of other income for the periods indicated:

	For the six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Income from provision of cell cryopreservation services *(Note)*	**355**	355
Rental income from leasehold land	**229**	–
Income from technical services	**832**	–
Interest income on bank balances and deposits	**381**	1,448
Interest income on financial assets at fair value through other comprehensive income ("**FVTOCI**")	**–**	848
Interest income from lease deposits	**97**	96
Government grants		
– Research and development activities	**428**	2,617
– Machinery	**4,128**	66
– Others	**76**	103
Total	**6,526**	5,533

Note: Cell cryopreservation is the process whereby cells are preserved by cooling to very low temperatures.

Other gains and losses, net

The Group recorded other net gains of approximately RMB19.8 million for the six months ended 30 June 2024 as compared to other net losses of approximately RMB20.3 million for the six months ended 30 June 2023. Such turnaround from losses to gains during the Reporting Period was mainly attributable to fair value gain on other financial liabilities during the Reporting Period. For details, please refer to note 6 to the condensed consolidated financial statement for the six months ended 30 June 2024 in this announcement.

The net other gains and losses for the Reporting Period primarily consisted of fair value gain (loss) on other financial liabilities, termination loss of an intangible asset and impairment loss on prepayment to a supplier.

Administrative expenses

Administrative expenses of the Group decreased by approximately 7.9% from approximately RMB25.0 million for the six months ended 30 June 2023 to approximately RMB23.0 million for the six months ended 30 June 2024, which was primarily due to the decrease in travel and other expenses.

The Group's administrative expenses primarily include staff costs, professional fees including fees paid to contractors and recruiters, depreciation expenses of the right-of-use assets for the leases, vehicles and office equipment, travel and hospitality fees and others.

Research and development expenses

Research and development expenses of the Group increased by approximately 22.6% from approximately RMB74.3 million for the six months ended 30 June 2023 to approximately RMB91.1 million for the six months ended 30 June 2024, which was primarily due to the increase in contracting costs during the Reporting Period.

	For the six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Cost of materials for research and development project	**9,829**	6,473
Staff costs	**26,431**	26,419
Contracting costs	**25,664**	10,871
Depreciation and amortisation	**23,255**	20,477
Others	**5,939**	10,075
Total	**91,118**	74,315

Finance costs

Finance costs of the Group decreased by approximately 11.9% from approximately RMB4.4 million for the six months ended 30 June 2023 to approximately RMB3.9 million for the six months ended 30 June 2024, which was primarily due to the decrease in interest expenses on lease liability recognised pursuant to IFRS 16.

Loss before tax

For the above reasons, the loss before tax of the Group decreased by approximately 22.0% from approximately RMB118.6 million for the six months ended 30 June 2023 to approximately RMB92.6 million for the six months ended 30 June 2024.

Income tax expense

For the six months ended 30 June 2024, the Company is not subject to any income tax in the Cayman Islands. No Hong Kong profit tax was provided for as there was no estimated assessable profit of our Hong Kong subsidiary, which was subject to Hong Kong profit tax during the Reporting Period. The subsidiaries located in the PRC, were generally subject to the statutory enterprise income tax at a rate of 25% on the assessable profits according to the PRC Enterprise Income Tax Law. Beijing Yongtai, one of the PRC subsidiaries, was accredited as a High And New Technology Enterprise for a three-year period commencing from 31 October 2018 and it was accredited as a High And New Technology Enterprise again for another three-year period on 17 December 2021. Yongtai Ruike, one of the PRC subsidiaries, was also accredited as a High And New Technology Enterprise for a three-year period commencing from 20 December 2023. Accordingly, Beijing Yongtai and Yongtai Ruike enjoyed a lower tax rate of 15% during the Reporting Period.

Liquidity and capital resources

The bank balances and cash increased by approximately RMB27.5 million from approximately RMB52.2 million as at 31 December 2023 to approximately RMB79.6 million as at 30 June 2024, which was primarily due to the disposal of certificates of deposits.

INDEBTEDNESS

Lease liabilities

As at 30 June 2024, our lease liabilities were approximately RMB123.5 million. The lease liabilities were secured by rental deposits and unguaranteed.

Contingent liabilities, charge of assets and guarantees

In February 2023, the Company completed issuance of the Convertible Bonds. The Convertible Bonds are secured by the security for the Company's payment obligations and the performance of Company's obligations in respect of the Convertible Bonds. The security includes the assets mortgage and the share mortgages. The assets mortgage includes the mortgage of: (1) a land use right; and (2) other pledged assets including certain equipment and financial assets at fair value through profit or loss, of the Group. The share mortgages include the Shares charged by Tan Zheng Ltd and Tan Yue Yue Ltd under the transaction documents, which amounts to 19,285,714 Shares held by Tan Zheng Ltd and 6,714,286 Shares held by Tan Yue Yue Ltd.

Save as disclosed above, the Group did not have any outstanding mortgages, charges, debentures, other issued debt capital, bank overdrafts, loans, borrowings, lease liabilities, liabilities under acceptance or other similar indebtedness, any guarantees or other material contingent liabilities as at 30 June 2024.

CAPITAL STRUCTURE

The Shares were listed on the Main Board of the Stock Exchange on 10 July 2020, and 100,000,000 Shares were issued at the offer price of HK$11.00 per Share by way of Global Offering.

Subsequently, the Company announced that the over-allotment option described in the Prospectus was partially exercised by the joint representatives, on behalf of the international underwriters, on 31 July 2020, in respect of an aggregate of 14,584,000 Shares representing approximately 14.58% of the total number of the Shares initially available under the Global Offering before any exercise of the over-allotment option to facilitate the return to Tan Zheng Ltd of the borrowed Shares under the stock borrowing agreement which were used to cover over-allocations in the international offering. There was no change in the capital structure of the Group since then. The share capital of the Group only comprises ordinary shares. As at 30 June 2024, the total issued share capital of the Company was US$514,584 divided into 514,584,000 Shares.

The capital structure of the Group was 89.1% debt and 10.9% equity as at 30 June 2024, compared with 62.6% debt and 37.4% equity as at 30 June 2023.

Completion of issue of Convertible Bonds under specific mandate

On 20 February 2023, the Board announces that all the conditions precedent under the Subscription Agreement have been fulfilled that the Convertible Bonds in the aggregated principal amount of RMB300 million have been issued to the Investor. The Convertible Bonds are convertible into the Company's ordinary shares of US$0.001 each at an initial Conversion Price of HK$4.81 per Conversion Share (subject to adjustments). The Conversion Shares has been issued by the Company pursuant to the specific mandate granted to the Directors at the extraordinary general meeting held on 11 January 2023 which authorised the Company to issue and allot up to 68,493,150 Shares to the Investor. The interest rate is 6% per annum on the outstanding principal amount of the Convertible Bonds.

The reasons for the issue of Convertible Bonds are as follows: the Company is in need of capital for its operation and R&D of pipeline and commercialisation of its products. The Company wants to seek an experienced and reputable business partner in the industry to assist its R&D and commercialisation of its products. As the Investor was one of the cornerstone investors of the Listing and is familiar with the business of the Company, the Directors consider the issue of the Convertible Bonds to raise funds will provide an opportunity for the Company to enhance its working capital and financial position and support the business development of the Group. They also consider that the issue of the Convertible Bonds is an appropriate means of raising additional capital for the Company since it will not have an immediate dilution effect on the shareholding of the existing Shareholders. The Company has considered alternative financing methods such as internal cash resources or bank financing that was available to the Company. Given that the Company is currently still in pre-revenue stage, most commercial banks in the PRC were only available to provide fundings under the condition that the Company has achieved positive cash flow. Taking into consideration the prevailing market condition, the financial position of the Group, and the Company's funding needs for its operation, R&D and commercialisation of its products, the Directors consider that it is a prudent way to issue the Convertible Bonds, even the Shareholders may suffer dilution effects under the Convertible Bonds upon conversion of the Conversion Shares (if any).

Details of the Convertible Bonds are set out in the circular of the Company dated 16 December 2022.

In February 2023, the Company received the aggregate principal amount of RMB300.0 million, of which (a) approximately RMB102.3 million will be applied for EAL® clinical trial and the Company is expected to utilise the remaining fund by the first half of the year 2025; and (b) approximately RMB197.7 million will be applied for the construction costs of new R&D and production centres and the Company is expected to utilise the remaining fund by the end of 2025.

As at 30 June 2024, the Company utilised a total of approximately RMB192.7 million of the proceeds. The table below sets out the planned applications of the net proceeds from the Convertible Bonds and actual usage up to 30 June 2024:

Use of proceeds	**Allocation of the net proceeds from the Convertible Bonds** *(RMB million)*	**Unutilised amount as at 1 January 2024** *(RMB million)*	**Utilised amount up to 30 June 2024** *(RMB million)*	**Utilised amount (from 1 January 2024 to 30 June 2024)** *(RMB million)*	**Unutilised amount as at 30 June 2024** *(RMB million)*	**Expected timeline of full utilization of the remaining net proceeds from the Convertible Bonds**
EAL® clinical trial	102.3	43.2	91.7	32.6	10.6	By first half of the year 2025(1)
Construction costs of new research and development and production centres	197.7	117.7	101.0	21.0	96.7	By the end of 2025
Total	300.0	160.9	192.7	53.6	107.3	

(1) As at 30 June 2024, the delay in the actual use of proceeds for the EAL® clinical trial was mainly due to the delay in the approval process of EAL®.

FOREIGN EXCHANGE

Foreign currency risk refers to the risk of loss resulting from changes in foreign currency exchange rates. Fluctuations in exchange rates between RMB and other currencies in which the Group conducts business may affect its financial condition and results of operation. The Group mainly operates in the PRC and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to Hong Kong dollars. The conversion of foreign currencies into RMB, including Hong Kong dollars, has been based on rates set by the People's Bank of China. The Group seeks to limit our exposure to foreign currency risk by closely monitoring and minimizing its net foreign currency position. During the Reporting Period, the Group did not enter into any currency hedging transactions.

SELECTED FINANCIAL RATIO

The following table sets out certain selected financial ratios as at the balance sheet dates indicated:

	As at 30 June 2024 (unaudited)	As at 31 December 2023 (audited) (restated)
Current ratio[(1)]	**0.38**	0.40
Quick ratio[(2)]	**0.36**	0.39
Gearing ratio[(3)]	**–**	–

Notes:

(1) Current ratio equals current assets divided by current liabilities as at the end of the period.

(2) Quick ratio equals (a) current assets less materials for research and development project divided by (b) current liabilities as at the end of the period.

(3) Gearing ratio equals total borrowings divided by total equity as at the end of the period. As at 30 June 2024, the Group had no interest-bearing borrowings, such that the gearing ratio is not applicable for the six months ended 30 June 2024.

The current ratio decreased from 0.40 as at 31 December 2023 to 0.38 as at 30 June 2024 and the quick ratio decreased from 0.39 as at 31 December 2023 to 0.36 as at 30 June 2024. Such decreases were primarily due to financial assets at FVTPL of the Group decreased from approximately RMB124.8 million as at 31 December 2023 to approximately RMB65.7 million as at 30 June 2024.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2024

	Notes	For the six months ended 30 June	
		2024	2023
		RMB'000	*RMB'000*
		(unaudited)	(unaudited)
Other income	*5*	**6,526**	5,533
Other gains and losses, net	*6*	**19,836**	(20,269)
Administrative expenses		**(23,048)**	(25,035)
Research and development expenses		**(91,118)**	(74,315)
Finance costs		**(3,851)**	(4,372)
Other expenses		**(901)**	(144)
Loss before tax		**(92,556)**	(118,602)
Income tax expense	*7*	**–**	–
Loss and total comprehensive expense for the period	*8*	**(92,556)**	(118,602)
Loss and total comprehensive expense for the period attributable to:			
Owners of the Company		**(92,515)**	(118,114)
Non-controlling interests		**(41)**	(488)
		(92,556)	(118,602)
Loss per share (RMB)	*10*		
– Basic		**(0.18)**	(0.23)
– Diluted		**(0.18)**	(0.23)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2024

	Notes	**As at 30 June 2024** ***RMB'000*** **(unaudited)**	As at 31 December 2023 *RMB'000* (audited) (restated)
NON-CURRENT ASSETS			
Property, plant and equipment		**474,253**	500,759
Intangible assets		**21,410**	41,882
Prepayments, deposits and other receivables	*11*	**42,077**	42,113
Contract costs		**339**	464
Financial assets at fair value through profit of loss ("**FVTPL**")	*12*	**–**	46,362
Pledged bank deposits		**810**	810
		538,889	632,390
CURRENT ASSETS			
Contract costs		**253**	256
Financial assets at FVTPL	*12*	**65,665**	124,812
Materials for research and development project		**6,851**	4,924
Pledged bank deposits		**3,520**	1,023
Prepayments, deposits and other receivables	*11*	**24,896**	30,718
Bank balances and cash		**79,645**	52,161
		180,830	213,894
CURRENT LIABILITIES			
Contract liabilities		**3,029**	710
Trade and other payables	*13*	**162,388**	176,911
Lease liabilities		**26,288**	24,679
Deferred government grants	*14*	**710**	1,136
Other financial liabilities	*15*	**285,791**	326,839
		478,206	530,275
NET CURRENT LIABILITIES		**(297,376)**	(316,381)
TOTAL ASSETS LESS CURRENT LIABILITIES		**241,513**	316,009

	Notes	**As at 30 June 2024** ***RMB'000*** **(unaudited)**	As at 31 December 2023 *RMB'000* (audited) (restated)
NON-CURRENT LIABILITIES			
Contract liabilities		**1,159**	1,274
Lease liabilities		**97,220**	105,655
Deferred government grants	*14*	**64,800**	38,190
		163,179	145,119
NET ASSETS		**78,334**	170,890
CAPITAL AND RESERVES			
Share capital		**3,576**	3,576
Reserves		**77,525**	170,040
Equity attributable to owners of the Company		**81,101**	173,616
Non-controlling interests		**(2,767)**	(2,726)
TOTAL EQUITY		**78,334**	170,890

1. GENERAL INFORMATION

Immunotech Biopharm Ltd (the "**Company**") was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Act Chapter 22 (Law of 3 of 1961, as consolidated and revised) of the Cayman Islands on 11 April 2018. Its ordinary shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") since 10 July 2020. The address of the Company's registered office is at PO Box 309, Ugland House, Grand Cayman KY1-1104, Cayman Islands. The principal place of business of the Company is at 8/F, Block 1, Guosheng Technology Park, No.1 Kangding Street, Beijing Economic-Technological Development Area, Beijing, the PRC.

The principal activity of the Company is investment holding and its subsidiaries are mainly engaged in research and development, manufacturing and commercialisation of immune cell products for treatments of cancers in the PRC. The Company and its subsidiaries are hereinafter collectively referred to as the "Group".

The condensed consolidated financial statements are presented in Renminbi ("**RMB**"), which is also the functional currency of the Company and its subsidiaries.

2. BASIS OF PREPARATION

The condensed consolidated financial statements of the Group have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" issued by the International Accounting Standards Board (the "**IASB**") as well as the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange.

3. PRINCIPAL ACCOUNTING POLICIES

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

Other than change in accounting policies resulting from application of amendments to International Financial Reporting Standards ("**IFRSs**"), and application of certain accounting policies 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 2024 are the same as those presented in the Group's annual consolidated financial statements for the year ended 31 December 2023.

Application of amendments to IFRSs

In the current interim period, the Group has applied the following amendments to IFRSs issued by the IASB, for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2024 for the preparation of the Group's condensed consolidated financial statements:

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

Except as described below, the application of the amendments to IFRSs in the current interim period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

3.1 Impacts on application of Amendments to IAS 1 Classification of Liabilities as Current or Non-current (the "2020 Amendments")

3.1.1 Accounting policies

Convertible bonds (with conversion options not meeting "fixed for fixed criterion")

When determining the classification of convertible bonds as current or non-current, the Group considers both the redemption through cash settlement and the transfer of the Group's own equity instruments as a result of exercise of conversion options by holders as settlement of the convertible bonds.

3.1.2 Transition and summary of impact

The Group has applied the new accounting policy and the amendments retrospectively. The application of the amendments in the current period has the following impacts on convertible bonds with conversion options not meeting "fixed for fixed criterion".

(a) Convertible instruments with conversion options not meeting "fixed for fixed criterion" designated at FVTPL

The Group's outstanding convertible bonds include counterparty conversion options that do not meet equity instruments classification by applying IAS 32. The convertible bonds were designated at FVTPL. Upon the application of the 2020 Amendments, given that the convertible bonds are exercisable anytime as at, 31 December 2023, the convertible bonds designated at FVTPL as at 31 December 2023 are reclassified to current liabilities as the holders have the option to convert within twelve months after the reporting period.

Except as described above, the application of the 2020 Amendments has no other material impact on the classification of the Group's other liabilities. The change in accounting policy does not have impact to the Group's profit or loss or earnings per share for the six months ended 30 June 2023. The details of the impacts on each financial statement line item on the condensed consolidated statement of financial position arising from the application of the amendments are set out below in this Note. Comparative figures have been restated.

The effects of the changes in accounting policy as a result of application of 2020 Amendments on the condensed consolidated statement of financial position as at the end of the reporting period 30 June 2024 and immediately preceding year 31 December 2023 are as follows:

	30 June 2024 (As reported) ***RMB'000***	**Adjustments** ***RMB'000***	**30 June 2024 (Without the application of 2020 Amendments)** ***RMB'000***
Current Liability			
Other financial liabilities	**–**	**285,791**	**285,791**
Non-current Liability			
Other financial liabilities	**285,791**	**(285,791)**	**–**
Total effects on net assets	**285,791**	**–**	**285,791**

	31 December 2023 (Originally stated) *RMB'000*	Adjustments *RMB'000*	31 December 2023 (Restated) *RMB'000*
Current Liability			
Other financial liabilities	–	326,839	326,839
Non-current Liability			
Other financial liabilities	326,839	(326,839)	–
Total effects on net assets	326,839	–	326,839

4. SEGMENT INFORMATION

For the purposes of resources allocation and performance assessment, the executive directors of the Company, being the chief operating decision makers, review the consolidated results when making decisions about allocating resources and assessing performance of the Group as a whole and hence, the Group has only one operating and reportable segment and no further analysis of this single segment is presented.

Geographical information

The Group did not record any revenue during the six months ended 30 June 2024 (the six months ended 30 June 2023: nil). As at 30 June 2024, the Group's non-current assets excluding financial instruments amounted to RMB534,360,000 (31 December 2023: RMB581,596,000). All of the Group's non-current assets are located in the PRC, accordingly, no analysis of geographical information is presented.

5. OTHER INCOME

	For the six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Income from provision of cell cryopreservation services	**355**	355
Income from technical services	**832**	–
Interest income on bank balances and deposits	**381**	1,448
Interest income from lease deposits	**97**	96
Rental income from leasehold land	**229**	–
Interest income on financial assets at FVTOCI	**–**	848
Government grants		
– Research and development activities	**428**	2,617
– Machinery	**4,128**	66
– Others	**76**	103
Total	**6,526**	5,533

6. OTHER GAINS AND LOSSES, NET

	For the six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Fair value gain (loss) on financial assets at FVTPL	**3,323**	(10,126)
Fair value gain (loss) on other financial liabilities	**41,048**	(10,152)
Termination loss of an intangible asset *(Note)*	**(19,316)**	–
Impairment loss on prepayment to a supplier *(Note)*	**(5,183)**	–
Exchange gain, net	**11**	76
Loss on disposal of property, plant and equipment	**(41)**	(83)
Others	**(6)**	16
Total	**19,836**	(20,269)

Note: On 11 January 2021, the Company entered into a license agreement with T-Cure Bioscience, Inc. ("**T-Cure**"), pursuant to which T-Cure agreed to grant an exclusive license to the Company to use the patent rights and technology of T-Cure for the development, manufacturing and commercialisation of licensed products in Korea, the PRC, including Hong Kong and Macau, but excluding Taiwan in the field of immunotherapy for renal cell carcinoma. As the transfer of the relevant technologies agreed upon in the agreement was completed in March 2022, the Company recorded an intangible asset in relation to the upfront payment and the first milestone payment with total amount of US$3,000,000 (equivalent to RMB19,316,000) in 2022. During the current period, the license agreement was terminated and a loss of RMB19,316,000 was recognised for the related intangible asset since the Group did not plan to continue the development activities in relation to such licensed technology. In addition, the Group recognised an impairment loss for the prepayment to T-Cure of RMB5,183,000 in profit of loss.

7. INCOME TAX EXPENSE

	For the six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Current PRC enterprise income tax ("**EIT**")	**–**	–

Under the law of the PRC on Enterprise Income Tax (the "**EIT Law**") and implementation regulations of the EIT Law, the basic tax rate of the Company's PRC subsidiaries is 25%.

Beijing Yongtai has been accredited as a "High and New Technology Enterprise" by the Science and Technology Bureau of Beijing and relevant authorities on 31 October 2018 for a term of three years, and has been registered with the local tax authorities for enjoying the reduced EIT rate of 15% and the unused tax losses could be utilised for 10 years since 2013. During the year ended 31 December 2021, the accredition of "High and New Technology Enterprise" of Beijing Yongtai has been extended to December 2024. Beijing Yongtai Ruike Biotechnology Company Ltd* (北京永泰瑞科生物科技有限公司) ("**Yongtai Ruike**") has been accredited as a "High and New Technology Enterprise" by the Science and Technology Bureau of Beijing and relevant authorities on 20 December 2023 for a term of three years, and has been registered with the local tax authorities for enjoying the reduced EIT rate of 15% and the unused tax losses could be utilised for 10 years since 2023. Accordingly, the profits derived by Beijing Yongtai is subject to EIT rate of 15% (the six months ended 30 June 2023: 15%) for the six months ended 30 June 2024, and the profits derived by Yongtai Ruike is subject to EIT rate of 15 % (the six months ended 30 June 2023: 15%) for the six months ended 30 June 2024.

No provision for PRC EIT was made as the Company's PRC subsidiaries incurred tax losses for both periods.

No Hong Kong profit tax was provided for as there was no estimated assessable profit of the Group's Hong Kong subsidiary for both periods.

As at 30 June 2024, the Group had estimated unused tax losses of approximately RMB1,702,414,000 (31 December 2023: RMB1,594,145,000) which are available for offset against future profits. No deferred tax asset has been recognised in respect of the unused tax losses as at 30 June 2024 or 31 December 2023 due to the unpredictability of future profit streams.

* *English name is for identification purpose only*

8. LOSS FOR THE PERIOD

	For the six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Loss for the period has been arrived at after charging/(crediting):		
Staff costs, including directors' remuneration		
– salaries and other allowances	**33,486**	35,106
– retirement benefits	**3,155**	3,242
Total staff costs	**36,641**	38,348
Depreciation of property, plant and equipment	**29,067**	25,131
Capitalised in construction in process	**(129)**	(1,275)
	28,938	23,856
Amortisation of intangible assets	**1,311**	1,039
Cost of raw materials and other consumables included in research and development expenses	**9,829**	6,473
Sub-contracting costs included in research and development expenses	**25,664**	10,871

9. DIVIDEND

No dividends (the six months ended 30 June 2023: nil) were paid, declared or proposed during the current period. The Directors have determined that no dividend will be paid in respect of the interim period.

10. LOSS PER SHARE

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

	For the six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Loss		
Loss and total comprehensive expense for the period attributable to:		
Owners of the Company	**(92,515)**	(118,114)

	For the six months ended 30 June	
	2024	2023
	Shares	Shares
	'000	*'000*
	(unaudited)	(unaudited)
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	**514,584**	514,584

For the purpose of calculation of diluted loss per share for the six months ended 30 June 2024 and 2023, the share options granted under the Pre-IPO Share Option Scheme and the conversion of the Company's outstanding convertible bonds were not included as their inclusion would result in a decrease in loss per share.

11. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	As at 30 June 2024	As at 31 December 2023
	RMB'000	*RMB'000*
	(unaudited)	(audited)
Prepayments to suppliers and service providers	**20,278**	26,581
Value added tax recoverable	**4,303**	4,334
Prepayments for purchase of property, plant and equipment	**36,862**	36,898
Advances to employees	**648**	181
Rental deposits	**3,719**	3,622
Other deposits	**853**	1,109
Others	**310**	106
	66,973	72,831
Analysed as:		
Non-current	**42,077**	42,113
Current	**24,896**	30,718
	66,973	72,831

12. FINANCIAL ASSETS AT FVTPL

	As at 30 June 2024 ***RMB'000*** **(unaudited)**	As at 31 December 2023 *RMB'000* (audited)
Investment in the Tasly Fund *(Note i)*	**–**	2,393
Investment in the Shaoxing Fund *(Note ii)*	**23,638**	43,969
Investment in a financial product *(Note iii)*	**10,873**	22,461
Investment in the certificate of deposit *(Note iv)*	**31,154**	102,351
Total	**65,665**	171,174
Analysed as:		
Non-current	**–**	46,362
Current	**65,665**	124,812
	65,665	171,174

Notes:

i. The investment represents indirect interests in a bio-science company in Korea ("**Target A**") which is accounted for as a financial asset at FVTPL under IFRS 9. As at 30 June 2024, Target A has ceased its clinical research and does not expect the research activities to be resumed in the foreseeable future, therefore, the fair value of the investment approximates to nil.

ii. In February 2021, the Company's subsidiary, Beijing Yongtai, entered into a subscription agreement in relation to the subscription of limited partner interests in Shaoxing Yongsheng Equity Investment Partnership (LP)* (紹興永晟股權投資合夥企業(有限合夥)) (the "**Shaoxing Fund**"). Subject to the terms of the limited partnership agreement, the initial term of the Shaoxing Fund shall be seven years and each of the partners will be entitled to share the profit or loss attributable to a project investment in proportion to their respective paid capital commitment to fund the acquisition cost of such project investment. The general partner, Tianjin Jinxin Health Technology Co., Ltd.* (天津金新健康科技有限公司), has exclusive power over the management and control of the operation, investment affairs and other matters relating to the Shaoxing Fund.

The subscription amount of RMB50,000,000 had been paid in April 2021 and RMB24,195,000 was redeemed in June 2024. The investment was accounted for as financial assets at FVTPL under IFRS 9. The Shaoxing Fund made the investment of RMB500,000,000 to subscribe convertible bonds of a company principally engaged in gene testing services in Mainland China ("**Target B**"). The convertible bonds carry interests of 6% per annum and will originally mature in May 2024. The Shaoxing Fund may exercise its conversion option during the term of the investment and the conversion price is subject to negotiation between the Shaoxing Fund and Target B with reference to the then fair value. In March 2024, Target B early repaid RMB180,000,000 and the maturity of the remaining of the principal of RMB320,000,000 and interests are expected to be extended to May 2025. The remaining investment in the Shaoxing Fund is expected to be redeemed in the second half of 2025.

	Investment in the Shaoxing Fund ***RMB'000***
At 1 January 2024	**43,969**
Redemption of the investment	**(24,195)**
Change in fair value	**3,864**
At 30 June 2024	**23,638**

* *English names are for identification purpose only*

As at 30 June 2024, the fair value of investment in the Shaoxing Fund was determined by the Directors with assistance from an independent qualified professional valuer not connected to the Group, which has appropriate qualifications and experiences in valuation of similar instruments.

The Shaoxing Fund engages in investment management, its operation purely depends on the investment it held. Its long-term investment was convertible bonds held in Target B, the fair value of the convertible bonds was determined using discounted cash flow method based on a discount rate of 44.42% per annum (31 December 2023: 12.16% or 12.86% per annum). The valuations of the remaining assets and liabilities of the Shaoxing Fund, other than long term investment, are carried out by reference to their book values.

iii. As at 31 December 2023, the Group invested in a financial product with fair value of US$3,171,000 (equivalent to RMB22,461,000) managed by a financial institution in Hong Kong which can be redeemed at maturity in March 2024. In March 2024, the Group redeemed US$1,701,000 (equivalent to RMB11,686,000) and continued to invest in the financial products with the remaining amount. There is no predetermined or guaranteed return for the product. Such financial products are accounted for as financial assets at FVTPL under IFRS 9.

	Investment in a financial product ***US$'000***	Shown in the condensed consolidated financial statements as *RMB'000*
At l January 2024	**3,171**	22,461
Redemption of the investment	**(1,701)**	(12,087)
Change in fair value *(Note)*	**56**	499
At 30 June 2024	**1,526**	10,873

Note: Change in fair value presented in RMB also includes the exchange effect on translation from US$ balances into RMB.

iv. During the year ended 31 December 2023, the Group invested in certain certificate of deposits with a bank in the PRC. The certificate of deposits carry fixed interest rate of 3.00% per annum. The Directors determine the deposits are mainly for the purpose of short-term fund management, which will be sold in the secondary market within one year, therefore the deposits are classified as current assets.

13. TRADE AND OTHER PAYABLES

	As at 30 June 2024 ***RMB'000*** **(unaudited)**	As at 31 December 2023 *RMB'000* (audited)
Trade payables	**52,857**	45,737
Payables for purchase of property, plant and equipment	**84,479**	101,552
Accrued salaries and other allowances	**7,524**	10,372
Payables for purchase of intangible assets	**5,783**	5,779
Payables for service expense	**9,031**	11,280
Notes payable	**2,200**	1,023
Others	**514**	1,168
	162,388	176,911

The following is an aged analysis of trade payables presented based on the invoice date at the end of the reporting period:

	As at 30 June 2024 ***RMB'000*** **(unaudited)**	As at 31 December 2023 *RMB'000* (audited)
Within 1 year	**38,741**	31,000
1 year to 2 years	**14,116**	14,737
	52,857	45,737

14. DEFERRED GOVERNMENT GRANTS

	As at 30 June 2024 ***RMB'000*** **(unaudited)**	As at 31 December 2023 *RMB'000* (audited)
Current	**710**	1,136
Non-current	**64,800**	38,190
	65,510	39,326

Movements in deferred government grants

	Government grants related to		
	Machinery ***RMB'000***	**Research and development activities** ***RMB'000***	**Total** ***RMB'000***
At 1 January 2024 (audited)	**38,188**	**1,138**	**39,326**
Government grants received	**30,740**	**–**	**30,740**
Release of deferred government grants to loss	**(4,128)**	**(428)**	**(4,556)**
At 30 June 2024 (unaudited)	**64,800**	**710**	**65,510**

15. OTHER FINANCIAL LIABILITIES

	As at 30 June 2024 ***RMB'000*** **(unaudited)**	As at 31 December 2023 *RMB'000* (audited)
Convertible Bonds	**285,791**	326,839

On 28 October 2022, the Company and Tasly (Hong Kong) Pharmaceutical Investment Limited (the "**Investor**") entered into a convertible bonds subscription agreement (the "**Subscription Agreement**"), pursuant to which the Company has conditionally agreed to issue and the Investor has conditionally agreed to subscribe for the convertible bonds in the principal amount of RMB300 million. The Investor is controlled by Tasly Pharmaceutical Group Co., Ltd. ("**Tasly Pharmaceutical**"), a listed company on Shanghai Stock Exchange, both Tasly Pharmaceutical and Tasly Fund are controlled by Tasly Holding Group Co., LTD.

In February 2023, the issuance of the convertible bonds was completed and the Company received the principle amount of RMB300 million which will mature in 3 years from the date of issuance (the "**Maturity Date**"). The convertible bonds carry interests of 6% per annum and can convert into the shares of the Company at the option of the Investor at any time commencing from six months after the issue date up to the Maturity Date at the initial conversion price of RMB4.38 per conversion share subject to adjustment. If the convertible bonds are not fully converted at the Maturity Date, the Company would make up an aggregate return on the relevant principal amount of the convertible bonds of 8% per annum. The convertible bonds were secured by property, plant and equipment and financial assets at FVTPL of the Group and by the ordinary shares of the Company provided by Mr. Tan Zheng and and his close family members. The convertible bonds are designated at FVTPL.

The fair value of other financial liabilities is as follows:

	Convertible Bonds ***RMB'000***
At 1 January 2024 (audited)	**326,839**
Change in fair value	**(41,048)**
At 30 June 2024 (unaudited)	**285,791**

The fair value of convertible bonds is valued by an independent valuer using the Binomial Model. The key valuation assumptions and inputs as at 30 June 2024 to the model are as follows:

Bond maturity	1.64 years
Volatility	67.34%
Risk-free interest rate	1.59%
Discount rate for the Company	44.71%

Volatility was estimated on the valuation date based on the average of historical volatilities of the Company for a period of three years.

Risk-free interest rate was estimated based on the China government bond yield curve with similar time to maturity as at the valuation date.

OTHER INFORMATION

Interim Dividend

No dividend was paid, declared or proposed during the Reporting Period.

Use of Net Proceeds from Listing and Over-allotment Option

The Shares were listed on the Main Board of the Stock Exchange on 10 July 2020. Subsequently, the Company announced that the over-allotment option described in the Prospectus was partially exercised by the joint representatives, on behalf of the international underwriters, on 31 July 2020, in respect of an aggregate of 14,584,000 Shares representing approximately 14.58% of the total number of the Shares initially available under the Global Offering before any exercise of the over-allotment option to facilitate the return to Tan Zheng Ltd of the borrowed Shares under the stock borrowing agreement which were used to cover over-allocations in the international offering.

After deducting the underwriting fees and commissions, other listing expenses and other estimated expenses in connection with the exercise of the initial Global Offering and the exercise of the over-allotment option, the net proceeds amounted to approximately HK$1,127.8 million. As at 30 June 2024, the Company used a total of approximately HK$1,124.8 million of the proceeds, including approximately HK$385.6 million for investment in the ongoing clinical trial and commercialisation of EAL®, approximately HK$374.5 million for investments in CAR-T-19 clinical trial and TCR-T product series candidates, approximately HK$212.5 million for R&D expenditure in connection with expansion of other clinical indications for EAL®, approximately HK$95.8 million for development of other product candidates in the product pipeline including R&D expenditure and the construction costs of new R&D and production centres and approximately HK$56.4 million for working capital and other general corporate purposes. The Company intends to apply such net proceeds in accordance with the purposes as set out in the Prospectus.

The table below sets out the planned applications of the net proceeds from the Global Offering and the over-allotment option and actual usage up to 30 June 2024:

Use of Proceeds	**Allocation of the net proceeds from the Global Offering** *(HK$ million)*	**Percentage of total net proceeds** *(%)*	**Unutilised amount (as at 1 January 2024)** *(HK$ million)*	**Utilised amount (from the Listing Date to 30 June 2024)** *(HK$ million)*	**Utilised amount (from 1 January 2024 to 30 June 2024)** *(HK$ million)*	**Unutilised amount (as at 30 June 2024)** *(HK$ million)*	**Expected timeline of full utilisation of the remaining proceeds from the Global Offering as at 30 June 2024**[(1)]
For investment in the ongoing clinical trial and commercialisation of EAL®	385.6	34.2	–	385.6	–	–	N/A
For R&D expenditure in connection with expansion of other clinical indications for EAL®	213.2	18.9	0.7	212.5	–	0.7	By the end of 2025
For investments in CAR-T-19 clinical trial and TCR-T product series candidates	374.5	33.2	–	374.5	–	–	N/A
Development of other product candidates in the product pipeline including R&D expenditure and the construction costs of new R&D and production centres	98.1	8.7	2.3	95.8	–	2.3	By the end of 2025
Working capital and other general corporate purposes	56.4	5.0	–	56.4	–	–	N/A
Total	1,127.8	100.0	3.0	1,124.8	–	3.0	

Note:

(1) The expected timeline of full utilisation is based on the Directors' best estimation barring unforeseen circumstances.

For the Company's planned usage of the net proceeds as described above, the Company expects the net proceeds will be used up by the end of 2025.

Significant Investments, Material Acquisitions and Disposals

As at 30 June 2024, the Group recorded financial assets at FVTPL amounting to approximately RMB65.7 million, which included unlisted limited partner interests, financial products and certificates of deposits.

On 20 March 2023 and 20 June 2023, the Group (through its indirect wholly-owned subsidiary, Beijing Yongtai) subscribed for certain certificates of deposits issued by Minsheng Bank with its idle own funds in the principal amount of RMB110.0 million in aggregate. On 20 July 2023, 20 March 2024 and 20 June 2024, the Group disposed of eight out of the 11 certificates of deposits in three instalments by on-market sale through Minsheng Bank at an aggregate consideration of approximately RMB82.6 million. As at the date of this announcement, the Group continues to hold three certificates of deposits in the total amount of RMB30.0 million. For further details, please refer to the announcement of the Company dated 20 June 2024.

None of the investment that was designated as financial assets at FVTPL in the Group's investment portfolio had a carrying amount that accounts for 5% or more of the Group's total assets as at 30 June 2024.

Save as disclosed and as at the date of this announcement, there were no significant investments held by the Group or future plans regarding significant investment or capital assets.

Employee and Remuneration policy

As at 30 June 2024, the Group had a total of 201 employees in the PRC and one employee in Korea. The total amount of employee remuneration of the Group (including Directors' remuneration) for the six months end 30 June 2024 was approximately RMB36.6 million (the six months ended 30 June 2023: approximately RMB38.3 million).

The following table sets forth the number of our employees for each function as at 30 June 2024:

Function	**Number of Employees**
General management and administration	29
Research and development	22
Senior management	10
Product and technology R&D	30
Production, purification, equipment and safety	37
Quality	45
Clinical support and business development	29
Total	202

The Group has designed an evaluation system to assess the performance of its employees periodically. Such system forms the basis of its determinations of whether an employee should receive a salary raise, bonus, or promotion. The Group believed the salaries and bonuses our employees receive are competitive with market rates.

The Group places strong emphasis on providing training to its employees in order to enhance their technical and product knowledge. The Group designs and offer different training programmes for its employees in various positions.

The Group makes contributions to the social insurance and housing provident fund for all its employees in the PRC.

Funding and treasury policy

The Group adopts a stable, conservative approach in its finance and treasury policy, aiming to maintain an optimal financial position, the most economic finance costs, and minimal financial risks. Cash and cash equivalents are normally placed at financial institutions that the Group considers the credit risk to be low. The Group regularly reviews its funding requirements to maintain adequate financial resources in order to support its business operations as well as its R&D, future investments and expansion plans.

Share Option Schemes

In order to reward the participants defined thereunder for their contribution to the Group's success and to provide them with incentives to further contribute to the Group, the Company adopted the pre-IPO share option scheme (the "**Pre-IPO Share Option Scheme**") on 31 December 2019 and the post-IPO share option scheme (the "**Post-IPO Share Option Scheme**") on 6 June 2020.

For details of the principal terms of the Pre-IPO Share Option Scheme and the Post-IPO Share Option Scheme, please refer to Appendix IV to the Prospectus.

Pre-IPO Share Option Scheme

The summary of the share options granted under the Pre-IPO Share Option Schemes that were still outstanding as at 30 June 2024 is as follows:

Name of the grantees	No. of share options outstanding as at 31 December 2023	No. of share options granted during the Reporting period and up to 30 June 2024	No. of share options exercised during the Reporting period and up to 30 June 2024	No. of share options cancelled during the Reporting period and up to 30 June 2024	No. of share options lapsed during the Reporting period and up to 30 June 2024	No. of share options outstanding as at 30 June 2024
Tan Zheng *Chairman and executive Director*	5,000,000	–	–	–	–	5,000,000
Wang Yu *Executive Director, CEO and CTO*	23,450,000	–	–	–	–	23,450,000
Employees (in aggregate)	7,480,000	–	–	–	–	7,480,000
Total	**35,930,000**	**–**	**–**	**–**	**–**	**35,930,000**

Details regarding the number of options, date of grant, vesting period, exercise period and exercise price of the share options granted under the Pre-IPO Share Option Scheme that were still outstanding as at 30 June 2024 are set out below:

Name of the grantees	Date of grant	Vesting period	Exercise period	Exercise price per share[2]	No. of outstanding option as at 30 June 2024
Tan Zheng *Chairman and executive Director*	31 December 2019	Two equal tranches on 31 December 2020 and 2021, respectively	31 December 2019 to 30 December 2026	HK$5.5	5,000,000
Wang Yu *Executive Director, CEO and CTO*	31 December 2019	Two equal tranches on 31 December 2020 and 2021, respectively	31 December 2019 to 30 December 2026	HK$5.5	23,450,000
Employees (in aggregate)	31 December 2019	Three tranches of 30%, 30% and 40% on 31 December 2020, 2021 and 2022, respectively/Two equal tranches on 31 December 2020 and 2021, respectively[1]	31 December 2019 to 30 December 2026	HK$5.5	7,480,000
Total					**35,930,000**

Notes:

1. For details of the vesting periods of share options granted to each of the employees, please refer to Appendix IV to the Prospectus.

2. Closing price of the shares is not applicable as the shares of the Company were not listed at the date of grant.

As at the date of this announcement, the total number of share available for issue under the Pre-IPO Share Option Scheme is 35,930,000 Shares, representing approximately 6.98% of the total issued Shares.

Post-IPO Share Option Scheme

The Post-IPO Share Option Scheme will remain in force for a maximum period of 10 years commencing on the date on which the Post-IPO Share Option Scheme is adopted.

No share options were granted, exercised, cancelled or lapsed under the Post-IPO Option Scheme during the period from the Listing Date to date of this announcement.

Compliance with Corporate Governance Code

The Group is committed to maintaining high standard of corporate governance to safeguard the interests of the Shareholders, enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability.

The Company's corporate governance practices are based on the principles and code provisions as set out in the CG Code contained in Appendix C1 to the Listing Rules and the Company has adopted the CG Code as its own code of corporate governance. The Board is of the view that the Company has complied with all applicable code provisions of the CG Code throughout the six months ended 30 June 2024. The Board will periodically review and enhance its corporate governance practices to ensure that the Company continues to meet the requirements of the CG Code.

Compliance with the Model Code for securities transactions

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules to regulate all dealings by Directors and relevant employees in securities of the Company and other matters covered by the Model Code.

Specific enquiry has been made to each Director and all Directors have confirmed that they have complied with the applicable standards set out in the Model Code during the six months ended 30 June 2024. No incident of non-compliance of the Model Code by the relevant employees was noted by the Company.

Purchase, sale or redemption of the company's listed securities

As at 30 June 2024, there is no treasury share held by the Company.

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's shares (including sale of treasury shares) for the six months ended 30 June 2024.

Audit committee and review of financial report

The Audit Committee was established on 6 June 2020 with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the CG Code as set out in Appendix C1 to the Listing Rules. As at the date of this announcement, the Audit Committee consists of three members, being two independent non-executive Directors, namely Mr Ng Chi Kit, who is the chairman of the Audit Committee, Professor Wang Yingdian, and one non-executive Director, namely Mr Tao Ran. Mr Ng Chi Kit is an independent non-executive Director possessing the appropriate professional qualifications or accounting or related financial management expertise as required under Rule 3.10(2) of the Listing Rules.

The primary duties of the Audit Committee are to provide the Directors with an independent review of the effectiveness of the financial reporting process, internal control and risk management system of the Group, to oversee the audit process and to perform other duties and responsibilities as assigned by the Directors.

The Audit Committee has reviewed the Company's unaudited consolidated interim results for the six months ended 30 June 2024, and confirms that the applicable accounting principles, standards and requirements have been complied with, and that adequate disclosures have been made. The interim results for the six months ended 30 June 2024 are unaudited, but have been reviewed by the auditor, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Hong Kong Institute of Certified Public Accountants.

Changes to directors' information

There has been no change in the Directors' biographical details which are required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules since publication of the Group's 2023 Annual Report up to 23 August 2024 (being the date of approval of this announcement).

Directors' rights to acquire shares or debentures

Save for the Pre-IPO Share Option Scheme and the Post-IPO Share Option Scheme, no arrangement has been made by the Company or any of its subsidiaries for any Director to acquire benefits by means of the acquisition of Shares in or debentures of the Company or any other body corporate, and no rights to any share capital or debt securities of the Company or any other body corporate were granted to any Director or their respective spouse or children under 18 years of age, nor were any such rights exercised during or at the end of the Reporting Period.

PUBLICATION OF THE INTERIM RESULTS AND 2024 INTERIM REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This interim results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.eaal.net), and the interim report of the Company for the six months ended 30 June 2024 will be made available to the Shareholders and will be published on the respective websites of the Stock Exchange and the Company in due course. The Company has set out in detail on its website under the "Investor Relations" section the manner for the dissemination of its corporate communications, and the relevant arrangements for Shareholders to request for corporate communications in printed form. Shareholders may send a written request to the Company's Hong Kong branch Share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong or send an email to immunotech.ecom@computershare.com.hk, requesting for a printed copy of the interim report.

EVENTS AFTER THE REPORTING PERIOD

Save as disclosed, so far as the Company is aware, there was no important event affecting the Group which occurred after the end of the Reporting Period up to the date of this announcement.

"6B11"	the monoclonal anti-idiotypic antibody prepared by Beijing Weixiao with COC166-9 immunised mice with monoclonal antibody to mimic ovarian cancer-related antigen OC166-9
"6B11-OCIK Injection"	injection of ovarian cancer autologous cytotoxic T Lymphocyte, one of the Group's biologic product pipeline for treatment of ovarian cancer
"aT19 Injection"	aT19 Injection, the active component of the aT19 Injection product candidate is autologous T cells genetically modified to express CD19
"Audit Committee"	the audit committee of the Board
"B-ALL"	relapsed/refractory B cell acute lymphoblastic leukaemia, a type of blood cancer that usually begin in the bone marrow and result in high numbers of abnormal blood cells
"B cells"	a type of lymphocyte
"Beijing Weixiao"	Beijing Weixiao Biotechnology Development Limited (北京緯曉生物技術開發有限責任公司), a limited liability company established in the PRC on 15 July 2016 and owned as to 70.0% by our subsidiary Beijing Yongtai, 29.0% by Wu Shuangchen and 1% by Liao Qian
"Beijing Yongtai"	Immunotech Applied Science Limited (北京永泰生物製品有限公司), a limited liability company established in the PRC on 20 November 2006 and an indirect wholly-owned subsidiary of our Company
"Board" or "Board of Directors"	the board of Directors of the Company
"CAR-T cells"	chimeric antigen receptor T cells, are T cells that have been genetically engineered to produce an artificial T-cell receptor and chimeric antigen receptors that have been engineered to give T cells the new ability to target a specific protein on the surfaces of cells
"CDE"	Centre for Drug Evaluation of the NMPA
"CDMO"	Contract Development Manufacturing Organization
"CEO"	the chief executive officer of the Company

"CG Code" or "Corporate Governance Code"	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
"China", "Mainland China" or "the PRC"	the People's Republic of China, excluding, for the purpose of this announcement, Hong Kong, Macau Special Administration Region and Taiwan
"CMV"	Cytomegalovirus
"Company" or "the Company"	Immunotech Biopharm Ltd (永泰生物製藥有限公司), an exempted company incorporated under the laws of the Cayman Islands with limited liability on 11 April 2018
"Conversion Price"	the conversion price of the Convertible Bonds, initially being HK$4.81 per Conversion Share, equivalent to RMB4.38 per Conversion Share (based on the exchange rate of RMB1 to HK$1.09849 which is the average mid-point daily exchange rate of RMB to HK$ published by the People's Bank of China for five business days prior to and excluding the date of the Subscription Agreement) (subject to adjustments)
"Conversion Shares"	the Shares falling to be allotted and issued upon the exercise of the conversion rights attaching to the Convertible Bonds
"Convertible Bonds"	the 11.75% secured convertible bonds due in 2025 in the aggregate principal amount of RMB300 million have been issued by the Company to the Investor pursuant to the Subscription Agreement
"Core Product Candidate"	our "core product" as defined under Chapter 18A of the Listing Rules, namely EAL®
"CTO"	the chief technology officer of the Company
"Denocabtagene Ciloleucel Injection"	Denocabtagene Ciloleucel Injection, an injection for the treatment of patients with relapsed and refractory diffuse large B-cell lymphoma
"Director(s)"	the director(s) of the Company
"FVTPL"	Financial assets at fair value through profit or loss
"Global Offering"	the Hong Kong Public Offering (as defined in the Prospectus) and the International Offering (as defined in the Prospectus)

"GMP"	good manufacturing practice, and in the context of PRC laws and regulations, refers to guidelines and regulations from time to time issued pursuant to the PRC Drug Administration Law (中華人民共和國藥品管理法) as part of quality assurance which aims to minimise the risks of contamination, cross contamination, confusion, and errors during the manufacture process of pharmaceutical products and to ensure that pharmaceutical products subject to these guidelines and regulations are consistently produced and controlled in conformity to quality and standards appropriate for their intended use
"Group" or "the Group"	the Company and its subsidiaries
"Guosheng Laboratory"	a R&D facility located at Guosheng Technology Park, No.1 Kangding Street, Beijing Economic-technological Development Area, Beijing, China leased by our Group
"HBV"	hepatitis B Virus, a DNA virus that primarily infects the liver and can cause acute and chronic hepatitis, liver cirrhosis, and hepatocellular carcinoma
"HERV-E"	human endogenous retrovirus-e antigen
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"HLA"	human leukocyte antigen, a gene complex encoding the major MHC proteins
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"IND"	investigational new drug
"Industry Fund"	the cellular immunotherapy specialised industry fund (細胞免疫治療專項產業基金)
"Investor"	Tasly (Hong Kong) Pharmaceutical Investment Limited
"Korea"	Republic of Korea
"Leadman"	Beijing Leadman Biochemistry Co., Ltd, a company incorporated in the PRC, being the landlord under the Lease Agreement
"Lease Agreement"	the formal lease agreement dated 9 October 2021 entered into between Beijing Yongtai as the tenant and Leadman as the landlord in relation to the lease of the Premises

"Listing" or "IPO"	the listing of the Shares on the Main Board of the Stock Exchange on 10 July 2020
"Listing Date"	10 July 2020, being the date on which the Shares were listed on the Main Board
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange, as amended or supplemented from time to time
"Lymphocytes"	a sub-type of white blood cells, such as T cells, B cells and NK cells
"Main Board"	the Main Board of the Stock Exchange
"MHC"	major histocompatibility complex, proteins found on the surfaces of cells specialised for displaying short peptide fragments on the surface of cells
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Listing Rules
"NDA"	new drug application
"NK cells"	natural killer cells, a type of lymphocyte and a component of innate immune system
"NMPA"	National Medical Products Administration of the People's Republic of China
"Prospectus"	the prospectus issued by the Company dated 29 June 2020
"R&D"	research and development
"Renminbi" or "RMB"	Renminbi Yuan, the lawful currency of China
"Reporting Period"	the six-month period from 1 January 2024 to 30 June 2024
"Shaoxing Fund"	Shaoxing Binhai New Area Biomedical Industry Equity Investment Fund Partnership (LP)* (紹興濱海新區生物醫藥產業股權投資基金合夥企業(有限合夥))
"Share(s)"	ordinary shares with a nominal value of US$0.001 each in the capital of the Company
"Shareholder(s)"	holder(s) of Shares
"sq.m."	square metres
"Stock Exchange"	The Stock Exchange of Hong Kong Limited

"Subscription Agreement"	the subscription agreement dated 28 October 2022 entered into among the Company, the Investor and others in relation to the subscription of the Convertible Bonds
"T cell(s)" or "T Lymphocytes"	a type of lymphocytes produced or processed by the thymus gland and actively participating in the immune response, which plays a central role in cell-mediated immunity. T cells can be distinguished from other lymphocytes, such as B cells and NK cells, by the presence of a T cell receptor on the cell surface
"T-Cure"	T-Cure Bioscience, Inc.
"Tasly Bioscience"	Tasly Bioscience Fund Limited
"Tasly Fund"	Tasly Bioscience Fund, L.P.
"TCR"	T cell receptor, a molecule found on the surface of T cells responsible for recognising fragments of antigen
"TGF-ß"	transforming growth factor beta, a family of proteins involved in regulating and mediating processes at the cellular level
"US$"	United States dollars, the lawful currency of the United States of America
"Yongtai Ruike"	Beijing Yongtai Ruike Biotechnology Company Ltd (北京永泰瑞科生物科技有限公司), a company established in the PRC with limited liability on 8 June 2018 and is a wholly-owned subsidiary of the Company

In this announcement, capitalised terms used shall have the same meanings as those defined in the Prospectus, unless the context otherwise requires.

By order of the Board
Immunotech Biopharm Ltd
Tan Zheng
Chairman and executive Director

Hong Kong, 23 August 2024

As at the date of this announcement, the Board comprises Mr Tan Zheng as Chairman and executive Director, Dr Wang Yu as executive Directors, Mr Tao Ran, Mr Wang Ruihua, Mr Yang Fan and Mr Wang Donghu as non-executive Directors, and Professor Wang Yingdian, Mr Ng Chi Kit and Ms Peng Sujiu as independent non-executive Directors.

* *For identification purpose only*