3D Medicines Inc.
思路迪医药股份有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1244)

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

The Board hereby announces the unaudited condensed consolidated results of the Group for the six months ended June 30, 2024.

In this announcement, "we", "us" and "our" refer to the Company or where the context otherwise requires, the Group.

FINANCIAL HIGHLIGHTS

	Six months ended June 30,		
	2024	2023	**Changes**
	RMB'000	*RMB'000*	*%*
	(Unaudited)	(Unaudited)	
Revenue	**206,422**	352,553	(41.4)
Cost of sales	**(17,473)**	(27,301)	(36.0)
Gross profit	**188,949**	325,252	(41.9)
Research and development expenses	**(85,291)**	(151,606)	(43.7)
Selling and marketing expenses	**(110,078)**	(220,969)	(50.2)
Total comprehensive loss for the period	**(114,074)**	(190,204)	(40.0)
Adjusted total comprehensive loss for the period (as illustrated under "**Non-IFRS Measures**")	**(97,659)**	(81,454)	19.9

	June 30, 2024	December 31, 2023	**Changes**
	RMB'000	*RMB'000*	*%*
	(Unaudited)	(Audited)	
Cash and bank balances, financial assets at fair value through profit and loss and financial assets measured at amortized costs	**898,579**	1,120,849	(19.8)

IFRS Measures:

1. Revenue

During the Reporting Period, all of our revenue was generated from the sales of commercialized 恩維達® (Envafolimab, Subcutaneously-Injectable PD-L1 inhibitor) to distributors cooperating with us directly. For the six months ended June 30, 2024, our revenue decreased by 41.4% to RMB206.4 million from RMB352.6 million for the same period in 2023. The decrease was primarily attributable to the product sales of 恩維達® which was approved and commercialized in late November 2021. The revenue decrease is a result of the highly competitive market of PD-1/L1 in 2024.

2. Cost of Sales

During the Reporting Period, the cost of sales represented our purchases from our contract manufacturer for production of 恩維達®. For the six months ended June 30, 2024, our cost decreased by 36.0% to RMB17.5 million from RMB27.3 million for the same period in 2023. The decrease in cost of sales was mainly attributable to the decrease in the number of units sold for 恩維達® (Envafolimab, Subcutaneously-Injectable PD-L1 inhibitor).

3. Gross Profit and Gross Profit Margin

For the six months ended June 30, 2024, our gross profit decreased by 41.9% to RMB188.9 million from RMB325.3 million for the same period in 2023. It was mainly attributable to the decrease in product sales. Our gross profit margin reached 91.5% and 92.3% in the six months ended June 30, 2024 and 2023, respectively. The slight decrease in gross profit margin is mainly due to the increase in sales related surcharged taxes and the cost of relevant employees, reflecting the gradually maturing business model.

4. Research and Development Expenses

During the Reporting Period, our research and development expenses primarily consisted of (i) employee benefit expenses, including salaries, social insurance, pension, bonus and share-based expenses related to our research and development personnel; and (ii) third-party contracting expenses paid to service providers.

For the six months ended June 30, 2024, our research and development expenses decreased by 43.7% to RMB85.3 million from RMB151.6 million for the same period in 2023. The decrease was mainly due to a decrease of RMB58.9 million in employee benefit expenses related to our research and development personnel, including salaries, social insurance, pension, bonus and share-based expenses.

5. Selling and Marketing Expenses

During the Reporting Period, our selling and marketing expenses mainly represented expenses for promoting 恩維達® in China in accordance with industry standards to boost sales. Our selling and marketing expenses decreased by 50.2% from RMB221.0 million for the six months ended June 30, 2023 to RMB110.1 million for the six months ended June 30, 2024. The decrease was primarily attributable to the sales drop of 恩維達®, with its decrease rate of selling and marketing expenses for the first half of 2024 (i.e. 50.2%) exceeding the decrease rate of sales in the same period (i.e. 41.4%) due to a newly effective sales promotion regime.

Non-IFRS Measures:

In order to supplement our consolidated statements of profit or loss and other comprehensive income which are presented in accordance with IFRS, we use adjusted loss and total comprehensive loss as an additional financial measure, which is not required by, or presented in accordance with IFRS. Our adjusted loss and total comprehensive loss represents our loss and total comprehensive loss for the period, adjusted to add back fair value losses on preferred shares and share-based payment expenses. We believe that such measure provides investors and other persons with useful information to understand and evaluate our consolidated results of operation in the same manner as it helps our management. However, adjusted net loss presented by us may not be comparable to the similar financial measure presented by other companies. There are limitations to the non-IFRS measure used as an analytical tool, and you should not consider it in isolation or regard it as a substitute for our results of operation or financial position analysis that is presented in accordance with IFRS.

The following table sets forth our loss and total comprehensive loss and adjusted loss and total comprehensive loss for the period, which is adjusted by adding back fair value losses on preferred shares and share-based payment expenses, for the periods indicated:

	Six months ended June 30,		
	2024	2023	**Changes**
	RMB'000	*RMB'000*	*%*
	(Unaudited)	(Unaudited)	
Total comprehensive loss for the period	**(114,074)**	(190,204)	(40.0)
Add:			
Share-based payment expenses	**16,415**	108,750	(84.9)
Adjusted total comprehensive loss for the period	**(97,659)**	(81,454)	19.9

BUSINESS HIGHLIGHTS

For the six months ended June 30, 2024, we have made significant progress in advancing our robust pipeline of investigational products, which consists of 12 drug candidates. Of these, 恩維達® (Envafolimab, subcutaneously-injectable PD-L1 inhibitor) has been successfully commercialized, and seven others are in various stages of clinical development. Our strong execution capabilities in implementing our growth strategy, managing business operations, commercializing products, and integrating resources have enabled us to achieve the following milestones and accomplishments:

- 恩維達®, as the only commercially available subcutaneously-injectable PD-L1 inhibitor in China, achieved sales revenue of RMB206.4 million in China for the six months ended June 30, 2024, representing a 41.4% decrease compared to the same period last year.

- On January 24, 2024, 3D Medicines and Jiangsu Alphamab and Glenmark entered into a license agreement, pursuant to which the Licensors agreed to grant the Licensee an exclusive license and the right to sublicence in respect of oncology indications of 恩維達®.

- On January 9, 2024, 恩維達® was launched in the Macau market.

- 恩維達® has smooth progress in phase III trial in NSCLC perioperative regimens.

- We have published 10 articles at the American Society of Clinical Oncology (ASCO) Annual Meeting and the 33rd Annual Meeting of the Asia-Pacific Association for Study of the liver (APASL).

    1. Nine studies of envafolimab were selected for presentation, including four poster presentations and five online publications. The research covered areas such as biliary tract cancer, liver cancer, rectal cancer, endometrial cancer, esophageal squamous cell carcinoma, and gastric/gastroesophageal junction adenocarcinoma.

        - During these nine studies, Envafolimab combined with Lenvatinib for at least second-line advanced endometrial cancer were selected as the conference poster and should be highlighted. In this study, the confirmed ORR per BIRC was 40.0% (10/25, 95% CI 21.1%-61.3%). Disease control rate (DCR) was 84.0% (21/25, 95% CI 63.9%-95.5%), and the median progression-free survival (PFS) was 9.2 months (95% CI 4.0-11.0). These data show Envafolimab plus Lenvatinib has robust antitumor activity with a manageable safety profile for these heavily pretreated patients.

        - Another one should be noted is ENLIGHTEN Study. This is a single-arm, open-label, phase II study to explore the efficacy and safety of Envafolimab combined with Lenvatinib and gemcitabine plus cisplatin in patients with advanced biliary tract cancer (BTC). From the interim analysis, the ORR and DCR were 45% and 80% respectively. Survival data is expected.

2. On March 30, 2024, Professor Kuang Ming from the First Affiliated Hospital of Sun Yat-sen University presented at the 33rd Annual Meeting of the Asia-Pacific Association for the Study of the Liver (APASL). He reported on the clinical study of PD-L1 inhibitors combined with chemotherapy and targeted therapy (envafolimab and durvalumab) in 43 patients with advanced biliary tract cancer. The study showed a median progression-free survival of 11.29 months and a median overall survival of 14.8 months.

- 恩維達® has the 15th recommendation in authoritative clinical guideline and consensus recommendations both domestically and internationally. In March 2024, envafolimab was included in the 2024 edition of the "Chinese Expert Consensus on the Perioperative Treatment of Advanced Gastric Cancer with Immune Checkpoint Inhibitors" published by the Gastric Cancer Professional Committee of the Chinese Anti-Cancer Association.

MANAGEMENT DISCUSSION AND ANALYSIS

Business overview

3D Medicines Inc. is a pharmaceutical company focused on the field of oncology treatments for chronic diseases. Upholding the vision of "helping cancer patients live longer and better," the Company is dedicated to discovering and developing innovative cancer drugs and vaccines that cover the entire treatment period, including the treatment of metastasis and recurrence worldwide. Our pipeline includes several globally leading or clinically valuable differentiated innovative drug candidates. We have established an international professional team, covering research and development, production, and commercialization.

The Board announced that the adoption of "思路迪医药股份有限公司" as the dual foreign name in Chinese of the Company has become effective. The Chinese stock short name of "思路迪醫藥股份" for trading of the Shares on the Stock Exchange became effective from 9:00 a.m. on August 5, 2024. The English stock short name of "3D MEDICINES" and the stock code of "1244" of the Company and other trading arrangements in relation to the Shares will remain unchanged.

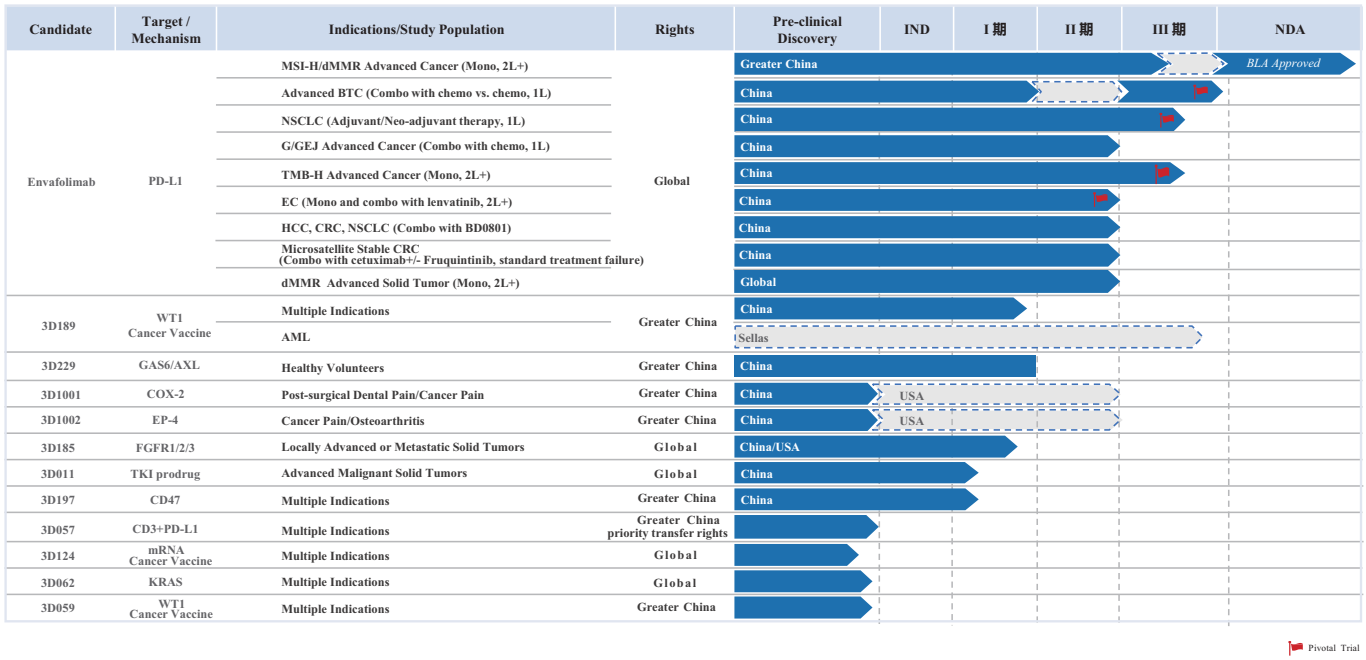
恩維達® (Envafolimab, subcutaneously-injectable PD-L1 inhibitor) is our first commercial product, and we are responsible for global development and commercialization. Since 2016, we have conducted international clinical research on 恩維達®, and successfully commercialized it in 2021 in China. As a commercial product of the company, 恩維達® has achieved sales revenue of RMB206.4 million in China for the first half of 2024, resulting in a total sales of approximately RMB1.5 billion in China. Tens of thousands of cancer patients have been helped and supported. As of June 30, 2024, the Group's total revenue decreased by approximately 41.4% compared to the corresponding period in 2023. This decline was primarily attributed to a reduction in sales revenue for 恩維達®. 恩維達® has established a strong reputation among doctors and patients, particularly those who have experienced long-term benefits from our drug. We are considering the implementation of improved sales strategies in the future. We believe that with the commercial capabilities of our partners, especially after 恩維達® expands its range of significant indications, our sales will enter a positive growth cycle.

Additionally, we embarked on a journey of international commercialization from 2024. In January 2024, 恩維達® completed a licensing agreement with Glenmark and received approved for market entry in Macau, signifying significant progress. This achievement will further provide new growth opportunities for the Company's revenue. We have published 10 articles and have obtained 15 clinical recommendations in the field of research, both domestically and internationally. At the ASCO Annual Meeting held in May 2024, nine studies on 恩維達® were presented in various forms, among which the study of envafolimab combined with lenvatinib for the treatment of advanced endometrial cancer is expected to offer patients with a more convenient new option worldwide.

Two-thirds of our 12 candidate drugs have entered the clinical development stage, demonstrating high level of pipeline maturity and strong drug synergy. We also have four innovative preclinical candidates, including bispecific CD3xPD-L1. With our mature product pipeline, we expect to continuously launch new products over the next three to five years.

In the first half of 2024, the Company further strengthened external collaborations, focusing on cutting-edge research in TIL (tumor-infiltrating lymphocytes) and CAR-T (chimeric antigen receptor T-cell) therapies, promoting the diversification and specialization of its research and development.

The following chart highlights the clinical development status of our pipeline candidates as of the date of this announcement:



Key development of Selected Drug Candidates

- ***恩維達® (envafolimab, subcutaneously-injectable PD-L1 inhibitor)***

1. On January 24, 2024, 3D Medicines and Jiangsu Alphamab (the "**Licensors**"), and Glenmark (the "**Licensee**") entered into a license agreement (the "**License Agreement**"), pursuant to which, the Licensors agreed to grant the Licensee an exclusive license and the right to sublicence in respect of oncology indications of Envafolimab, among others, (a) develop Envafolimab in India, Asia Pacific (except Singapore, Thailand and Malaysia), Middle-east and Africa, Russia, the Commonwealth of Independent States and Latin America (the "**Territory**") for the purpose of commercialization in all field of use in oncology (the "**Field**") in the Territory; and (b) commercialize Envafolimab in the Field in the Territory, subject to the terms and conditions of the License Agreement. The Licensee will develop and commercialize Envafolimab in the Field in the Territory at its own cost and expense.

2. 恩維達® was registered and listed with the Macau Pharmaceutical Administration. In January 2024, 恩維達® was successfully registered and listed with the Macau Pharmaceutical Administration Bureau for the treatment of adult patients with advanced solid tumors that are unresectable or metastatic with high microsatellite instability (MSI-H) or mismatch repair deficiency (dMMR).

3. Smooth Progress in Phase III Trial in NSCLC Perioperative Regimens. This is double-blind, placebo-controlled, randomized, multicenter study that evaluates the efficacy and safety of Envafolimab (KN035) in combination with neoadjuvant platinum-based chemotherapy followed by adjuvant Envafolimab monotherapy compared to placebo in combination with neoadjuvant platinum-based chemotherapy followed by adjuvant placebo alone, for the treatment of patients with resectable NSCLC (IIIA to IIIB, per AJCC 8th).

4. On March 30, 2024, Professor Kuang Ming from the First Affiliated Hospital of Sun Yat-sen University presented at the 33rd Annual Meeting of the Asia-Pacific Association for the Study of the Liver (APASL). He reported on the clinical study of PD-L1 inhibitors combined with chemotherapy and targeted therapy (envafolimab and durvalumab) in 43 patients with advanced biliary tract cancer. The study showed a median progression-free survival of 11.29 months and a median overall survival of 14.8 months.

5. In May 2024, at the American Society of Clinical Oncology (ASCO) Annual Meeting, nine studies on envafolimab were selected for presentation, including four poster presentations and five online publications. The research covered areas such as biliary tract cancer, liver cancer, rectal cancer, endometrial cancer, esophageal squamous cell carcinoma, and gastric/gastroesophageal junction adenocarcinoma.

   Among these, the first clinical data of envafolimab combined with lenvatinib for the treatment of advanced endometrial cancer that has failed at least one line of platinum-containing chemotherapy or is intolerant to it, and is non-MSI-H/non-dMMR, was disclosed in a poster presentation. This study had previously been included as a breakthrough therapy by the Center for Drug Evaluation (CDE) of the China National Medical Products Administration (NMPA). Currently, there is no standard treatment for this indication in China. The available chemotherapy drugs, PD-1/PD-L1 inhibitors, and lenvatinib monotherapy for endometrial cancer have shown low objective response rates and survival indicators. The disclosure of this data suggests that envafolimab combined with lenvatinib may provide a more effective, safer, and more convenient new clinical treatment option for patients with advanced endometrial cancer who have failed at least one line of platinum-containing chemotherapy or are intolerant to it.

   Another noteworthy study is the ENLIGHTEN Study. This is a single-arm, open-label, phase II study aiming to investigate the efficacy and safety of Envafolimab, combined with Lenvatinib and gemcitabine plus cisplatin in patients with advanced biliary tract cancer (BTC). Based on the interim analysis, the ORR and DCR were 45% and 80% respectively. Survival data is expected.

6. In March 2024, envafolimab was included in the 2024 edition of the "Chinese Expert Consensus on the Perioperative Treatment of Advanced Gastric Cancer with Immune Checkpoint Inhibitors" published by the Gastric Cancer Professional Committee of the Chinese Anti-Cancer Association. With this inclusion, 恩維達® has now been recommended in 15 of the latest authoritative clinical guidelines and consensus recommendations both domestically and internationally.

   ① Chinese Edition of the "2023 NCCN Cervical Cancer Clinical Practice Guidelines (1st Edition)"

   ② Chinese Edition of the "2023 NCCN Uterine Tumor Clinical Practice Guidelines (2nd Edition)"

   ③ Chinese Edition of the "2023 NCCN Ovarian Cancer including Fallopian Tube Cancer and Primary Peritoneal Cancer Clinical Practice Guidelines (2nd Edition)"

   ④ Chinese Expert Consensus on the Perioperative Treatment of Advanced Gastric Cancer with Immune Checkpoint Inhibitors (2024 Edition)

⑤ Chinese Expert Consensus on the Clinical Diagnosis and Treatment of Gastric-Type Endocervical Adenocarcinoma (2023 Edition)

⑥ Chinese Expert Consensus on Multidisciplinary Comprehensive Treatment of Biliary Tract Tumors (2023 Edition)

⑦ Chinese Guidelines for the Radiotherapy of Esophageal Cancer 2022 Edition

⑧ Guidelines for Clinical Application of Gynecological Tumor Immune Checkpoint Inhibitors (Version 2023)

⑨ CSCO Guidelines for Endometrial Cancer 2022 Version

⑩ CSCO Guidelines for Cervical Cancer 2022 Version

⑪ CSCO Guidelines for Ovarian Cancer 2022 Version

⑫ CSCO Guidelines for Clinical Application of Immune Checkpoint Inhibitors 2022 Version

⑬ CSCO Guidelines for Gastric Cancer 2022 Version

⑭ CSCO Guidelines for Colorectal Cancer 2022 Version

⑮ Chinese Medical Association Clinical Guidelines for Gynecologic Oncology (Version 7. 2023)

7. On July 9, 2024, our Company received the approval notice for the supplemental New Drug Application (sNDA) for 恩維達® (Envafolimab) from the National Medical Products Administration. The approval includes changes such as the use of a self-developed culture medium, the addition of new raw material suppliers, the establishment of internal control standards for some raw materials, and the increase in production scale from 1,000L to 2,000L. This supplemental application approval is based on data from an "andomized, double-blind, single-dose, parallel-controlled Phase I clinical study evaluating the pharmacokinetics, safety, and immunogenicity of envafolimab injection in healthy male subjects" (ClinicalTrials.gov, NCT05849311). The results indicate that the 恩維達® manufacturing process is stable, the clinical research is thorough, and the production capacity is sufficient to meet market demand.

8. On August 12, 2024, 恩維達® has been approved as a breakthrough therapy for the treatment of high tumor mutation burden (TMB-H) unresectable or metastatic solid tumors in patients who have failed previous standard treatments and have no satisfactory alternative therapies. This indication pertains to life-threatening diseases that currently have no approved standard treatment in China. In recent years, high tumor mutation burden (TMB) has been used as a biomarker in the FDA-approved 'umor-agnostic'new drug projects in the United States.

- ***3D189***

  1. Finish recruitment in Phase I Trial of 3D189

  – The Company's Phase I clinical trial to evaluate the safety and immunogenicity of 3D189 in Chinese patients with hematological malignancies makes satisfactory progress. This multicenter, open-label, single-arm Phase I trial is designed to assess the safety and immunogenicity of 3D189 WT1 peptide vaccine in patients with acute leukemia (AL) who are WT1-positive and in complete remission after at least first-line standard of care therapy, as well as patients with multiple myeloma (MM), non-Hodgkin's lymphoma (NHL), or higher-risk myelodysplastic syndrome (MDS) who achieve complete remission or partial remission. The clinical trial has completed patient recruitment, and as of the date of this announcement, no new safety signals for 3D189 have been observed in Chinese patients.

  2. The progress of MRCT by SELLAS

  – A global Phase III trial is underway to evaluate the efficacy and safety of 3D189 monotherapy for maintenance treatment compared to investigator's choice of best available therapy (BAT) in patients with AML who have achieved complete remission or complete remission with incomplete platelet recovery (CR2 or CRp2) after second-line salvage therapy. The primary objective is to compare 3D189 with BAT in terms of overall survival (OS) in CR2/CRp2 AML patients. The trial is recruiting patients at approximately 105 centers globally.

  – The ongoing Phase III overseas clinical study of 3D189 for the treatment of acute myeloid leukemia (AML), led by our partner SELLAS Life Sciences Group, Inc. (NASDAQ: SLS), underwent positive reviews by the Independent Data Monitoring Committee (IDMC) on April 29, 2024, and June 17, 2024. Following two times reviews, the IDMC conducted a prespecified risk-benefit assessment of unblinded data from the study and has recommended that the trial continue without modifications. Based on a detailed analysis of all unblinded data, the IDMC projects with a high level of confidence that the interim analysis (60 events) will occur by the fourth quarter of 2024.

- ***3D185***

  Smooth Progress in Phase I Trial of 3D185

  – 3D185-CN-001 is an open-label, MRCT, dose-escalation Phase I clinical trial designed to assess the safety, tolerability, preliminary pharmacokinetic profile, and preliminary clinical efficacy of 3D185 capsule as a monotherapy in patients with advanced solid tumors.

Our Selected IND-enabling Drug Candidates

In addition to our clinical-stage drug candidates, mRNA platform is being established with 3D124 as a mRNA therapeutic cancer vaccine under developing. There are four drug candidates in IND-enabling stage:

Assets	Target(s)	Indications	Rights	Partner
3D057	CD3+PD-L1	Multiple indications	Greater China; Worldwide Priority Transfer right	Y-Biologics
3D059	WT1	Multiple indications	Greater China	SELLAS
3D062	KRAS	Multiple indications	Worldwide	–
3D124	Tumor neoantigens	Multiple indications	Worldwide	–

3D057 is a novel bispecific antibody targeting PD-L1 and CD3 based on ALiCE platform. A robustness process has been developed and the non-clinical research is in progress with a confirmed strategy.

3D062 is our internally developed KRAS mutation inhibitor. Based on the latest research results, we applied for PCT on January 17, 2023 and March 8, 2023, respectively.

3D124, a new mRNA therapeutic cancer vaccine, is under developing. 3D124 targets multiple tumor specific antigens and shows strong anti-tumor effect in preclinical studies.

Warning under Rule 18A.08(3) of the Rules Governing the Listing of Securities on the Stock Exchange: There is no assurance that the Company will continuously succeed in the commercialization of 恩維達® (Envafolimab, subcutaneously-injectable PD-L1 inhibitor). There is no assurance that Batiraxcept (3D229), Galinpepimut-S (3D189), 3D1001, 3D1002, 3D185, 3D011, 3D197, 3D057, 3D059, 3D062, and 3D124 will ultimately be successfully developed and/or marketed by the Company. As of the date of this announcement, no material adverse changes had occurred with respect to the regulatory approvals we had received in relation to our drug candidates.

Other Business Development

Strategic Cooperation with Qingdao Sino-Cell Biomed

The signing ceremony for the strategic cooperation between the Company and Qingdao Sino-Cell Biomedicine Co, Ltd. ("**Sino Cell Biomed**") took place in Shanghai, China, on January 26, 2024. Dr. Gong Zhaolong, Chairman of the Board and CEO of the Company, and Mr. Gao Qing, Chairman of the Board of Directors of Sino-Cell Biomed, entered into the strategic cooperation agreement. The agreement aims to facilitate joint research efforts in innovative therapy within the field of oncology immunotherapy, leveraging the respective advantages of both parties. They also aim to explore new collaborative models to provide improved treatment options for cancer patients.

Strategic Cooperation with Novatim (Zhejiang) Pharmaceutical Technology Co., LTD. (hereinafter referred to as "Novatim")

On February 21, 2024, 3D Medicines Inc. and Novatim strategic cooperation signing ceremony was held in Shanghai, which aims to explore the combination of 恩維達® (Envafolimab) and KY-0118. In addition, the two parties will also discuss further cooperation in many aspects such as the product rights and interests of Novatim Pharmaceutical's double-target CAR-T and global clinical trial research.

Research and Development

Our management team has extensive industry experience for new drug development including working experience in the FDA and global pharmaceutical companies, which has led us to build a proven track record capability from discovery to commercialization.

Our R&D platform has strong molecule screening and design capabilities that increase the possibility of success in moving molecules from pre-clinical studies to market, enable innovative therapeutic approaches and support pipeline assets built around key pathways and targets.

Our R&D centers in Shanghai and Beijing include large and small molecule platforms, cell line screening platforms, and compound screening platforms. We believe that R&D is key to maintaining competitiveness in our industry. We have built a platform to enable our R&D in the area of chronic cancer treatment. Leveraging our proprietary R&D platform, we are able to conduct pre-clinical R&D activities including drug activity screening, studies of cellular functions of drugs, drug biochemical studies and biomolecule detection.

Over the past four years, mRNA-LNP has been recognized as an effective tool for in vivo delivery of any protein of interest for prophylactic and therapeutic purpose. A brand new mRNA-LNP research platform has been established in our R&D center and the platform is focusing on cancer therapy, such as cancer vaccines and intratumoral immunooncology medicines.

We employ a clinical-demand-oriented and market-driven approach to our clinical R&D efforts. Our clinical development team is composed of scientists and physicians with years of experience in drug development. Our clinical development team carefully customizes clinical development plan for each of our candidate drugs, taking into consideration scientific rationale, probability of technical and regulatory success, competition, commercial assessment, expert feedback, timeline and cost.

Manufacture

We have been building our in-house production facilities in Xuzhou, Jiangsu province, with current GMP-compliant manufacturing system and facilities throughout the drug development process, including chemical drugs and biologics, to meet stringent global standards. Our GMP-compliant manufacturing facilities are designed and validated according to the FDA, the EMA, and the NMPA regulations, to support the entire drug development process, from drug discovery to process development, GMP-compliant pilots and commercial manufacturing. In anticipation of the large needs of our drugs upon commercialization, we purchased the use right of land in Xuzhou with an aggregate area of 65,637.97 square meters. We have obtained the construction permit and started construction of new manufacturing facilities in Xuzhou.

We work with qualified CMOs to manufacture and test drug candidates for pre-clinical and clinical supply. In the near future, we plan to continue outsourcing the manufacturing of our product and drug candidates, including commercial-scale manufacturing of our approved drugs, to qualified CMOs/CDMOs.

Sales and Marketing

We are devoted to accelerating the commercialization progress of 恩維達® (Envafolimab, subcutaneously-injectable PD-L1 inhibitor) with combining efforts through the marketing strategy targeted at the needs of patients, academic oriented marketing activities were held to highlight the characteristics of product differentiation and improve the quality of life for cancer patients. We have been recommended by some professional clinical guidelines to actively provide necessary assistance to cancer patients and win the recognition of third-party payers to reduce the cost of patients using our products.

We have been establishing our sales and marketing department dedicated to the commercialization of our pipeline products. We have been building our qualified sales and marketing department in place with rich experience in the commercialization of oncology treatment, mainly responsible for product positioning, market strategy, promotional activity planning and patient assistance.

As we already received NDA approval for the treatment of previously treated MSI-H/dMMR advanced solid tumors on November 24, 2021, we sell 恩維達® (i) to pharmacy operating companies and (ii) to distributors cooperating with us directly (for hospital channel). We hire professional employees to negotiate the contracts, manage the distributors and supply chain, provide sufficient products for patients.

In the first half of 2024, 恩維達® sales have covered 3000+ hospitals and 763 + pharmacies in 30 provinces and over 305 cities. 恩維達® has been included in the list of high-priced self-financed drugs covered by "Huimin Insurance" in 36 cities in China.

For products that are close to commercialization, pre-market preparations are also gradually being carried out.

Intellectual Property Rights

We have an extensive portfolio of patents to protect our product, drug candidates and technologies. As of the date of this announcement, we owned (including co-owned) (i) 13 granted patents in China; (ii) 21 granted patents in other jurisdictions; and (iii) 18 pending patent applications, including 9 Chinese patent applications, 1 PCT application and 8 patent applications in other jurisdictions, relating to certain of our product, drug candidates and technologies.

Financial Review

	Six months ended June 30,	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Revenue	**206,422**	352,553
Cost of sales	**(17,473)**	(27,301)
Gross profit	**188,949**	325,252
Other income and gains	**22,437**	23,605
Research and development expenses	**(85,291)**	(151,606)
Administrative expenses	**(43,504)**	(78,367)
Selling and marketing expenses	**(110,078)**	(220,969)
Royalty expenses	**(15,619)**	(35,100)
Other expenses	**(61,134)**	(48,699)
Finance costs	**(5,063)**	(4,043)
Impairment losses on financial assets, net	**(4,771)**	(277)
LOSS BEFORE TAX	**(114,074)**	(190,204)
Income tax expense	**–**	–
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	**(114,074)**	(190,204)
Attributable to:		
Owners of the parent	**(103,509)**	(178,485)
Non-controlling interests	**(10,565)**	(11,719)
	(114,074)	(190,204)

Overview

In 2024, we have consistently embraced a visionary strategic outlook and implemented efficient measures, adopting a comprehensive suite of proactive measures. Recognizing the paramount importance of navigating a fiercely competitive market landscape, we prioritize optimizing resource allocation and cost reduction as crucial avenues for bolstering competitiveness and fostering sustainable growth. By leveraging meticulous market research and data-driven insights, we selectively pursue projects that harmoniously align with market trends while exuding high growth potential. Our goal is to instill a culture of meticulous management throughout each phase of the project life cycle, encompassing planning, execution, and subsequent optimization, thereby maximizing cost-effectiveness and ensuring that every investment yields tangible and substantial outcomes.

The following discussion is based on, and in conjunction with, the financial information and the notes included elsewhere in this announcement.

Revenue

During the Reporting Period, all of our revenue was generated from the sales of commercialized 恩維達® (Envafolimab, Subcutaneously-Injectable PD-L1 inhibitor) to distributors cooperating with us directly. For the six months ended June 30, 2024, our revenue decreased by 41.4% to RMB206.4 million from RMB352.6 million for the same period in 2023. The decrease was primarily attributable to the product sales of 恩維達® which was approved and commercialized in late November 2021. The revenue decrease is a result of the highly competitive market of PD-1/L1 in 2024.

Cost of Sales

During the Reporting Period, the cost of sales represented our purchases from our contract manufacturer for production of 恩維達®. For the six months ended June 30, 2024, our cost decreased by 36.0% to RMB17.5 million from RMB27.3 million for the same period in 2023. The decrease in cost of sales was mainly attributable to the decrease in the number of units sold for 恩維達® (Envafolimab, Subcutaneously-Injectable PD-L1 inhibitor).

Gross Profit and Gross Profit Margin

For the six months ended June 30, 2024, our gross profit decreased by 41.9% to RMB188.9 million from RMB325.3 million for the same period in 2023. It was mainly attributable to the decrease in product sales. Our gross profit margin reached 91.5% and 92.3% in the six months ended June 30, 2024 and 2023, respectively. The slight decrease in gross profit margin is mainly due to the increase sales related surcharged taxes.

Other Income and Gains

During the Reporting Period, our other income and gains primarily consisted of (i) foreign exchange gains; (ii) government grants income; and (iii) interest income. For the six months ended June 30, 2024 and 2023, we recorded other income and gains of RMB22.4 million and RMB23.6 million, respectively. The slight decrease was mainly due to a decrease in the foreign exchange gains of RMB4.7 million resulting from the decrease in the amount of U.S. dollar held by the Group.

Research and Development Expenses

During the Reporting Period, our research and development expenses primarily consisted of (i) employee benefit expenses, including salaries, social insurance, pension, bonus and share-based expenses related to our research and development personnel; and (ii) third-party contracting expenses paid to service providers.

For the six months ended June 30, 2024, our research and development expenses decreased by 43.7% to RMB85.3 million from RMB151.6 million for the same period in 2023. The decrease was mainly due to a decrease of RMB58.9 million in employee benefit expenses related to our research and development personnel, including salaries, social insurance, pension, bonus and share-based expenses.

Administrative Expenses

During the Reporting Period, our administrative expenses primarily consisted of (i) employee benefit expenses, including salaries, social insurance, pension, bonus and share based expenses related to our administrative personnel; and (ii) professional service expenses paid to third parties primarily in connection with operating activities. For the six months ended June 30, 2024, our administrative expenses decreased by RMB34.9 million to RMB43.5 million from RMB78.4 million for the same period in 2023, which was primarily attributable to an decrease of share-based payment expenses of RMB42.9 million.

Selling and Marketing Expenses

During the Reporting Period, our selling and marketing expenses mainly represented expenses for promoting 恩維達® in China in accordance with industry standards to boost sales. Our selling and marketing expenses decreased by 50.2% from RMB221.0 million for the six months ended June 30, 2023 to RMB110.1 million for the six months ended June 30, 2024. The decrease was primarily attributable to the sales drop of 恩維達®, with its decrease rate of selling and marketing expenses for the first half of 2024 (i.e. 50.2%) exceeding the decrease rate of sales in the same period (i.e. 41.4%) due to a newly effective sales promotion regime.

Royalty Expenses

As agreed under the Co-Development Agreements, upon the approval and commercialization of 恩維達®, we are entitled to 51% while Alphamab Group is entitled to 49% of the profit before tax generated from the sales of 恩維達® globally in the field of oncology therapy.

For the six months ended June 30, 2024, our royalty expenses decreased by RMB19.5 million to RMB15.6 million from RMB35.1 million for the same period in 2023, which was primarily attributable to the decrease in sales of 恩維達®.

Total Comprehensive Loss for the Period

For the reasons discussed above, total comprehensive loss for the period decreased by RMB76.1 million from RMB190.2 million for the six months ended June 30, 2023 to RMB114.1 million for the six months ended June 30, 2024.

Non-IFRS Measures

In order to supplement our consolidated statements of profit or loss and other comprehensive income which are presented in accordance with IFRS, we use adjusted loss and total comprehensive loss as an additional financial measure, which is not required by, or presented in accordance with IFRS. Our adjusted loss and total comprehensive loss represents our loss and total comprehensive loss for the period, adjusted to add back fair value losses on preferred shares and share-based payment expenses. We believe that such measure provides investors and other persons with useful information to understand and evaluate our consolidated results of operation in the same manner as it helps our management. However, adjusted net loss presented by us may not be comparable to the similar financial measure presented by other companies. There are limitations to the non-IFRS measure used as an analytical tool, and you should not consider it in isolation or regard it as a substitute for our results of operation or financial position analysis that is presented in accordance with IFRS.

The following table sets forth our loss and total comprehensive loss and adjusted loss and total comprehensive loss for the period, which is adjusted by adding back fair value losses on preferred shares and share-based payment expenses, for the periods indicated:

	Six months ended June 30,	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Total comprehensive loss for the period	**(114,074)**	(190,204)
Add:		
Share-based payment expenses	**16,415**	108,750
Adjusted total comprehensive loss for the period	**(97,659)**	(81,454)

Selected Data from Interim Condensed Consolidated Statement of Financial Position

	As at June 30, 2024	As at December 31, 2023
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Total non-current assets	**226,533**	333,728
Total current assets	**1,037,002**	1,095,154
Total assets	**1,263,535**	1,428,882
Total non-current liabilities	**88,765**	57,826
Total current liabilities	**401,904**	500,371
Total liabilities	**490,669**	558,197

Liquidity and Capital Resources

Since our inception, we have incurred net losses and negative cash flows from our operations. Our primary uses of cash are to fund the research and development of our drug pipeline, our clinical trials, administrative expenses and other recurring expenses.

As of June 30, 2024, the current assets of the Group were RMB1,037.0 million, including cash and cash balances of RMB488.7 million. The Group's cash and cash balances decreased by RMB177.8 million to RMB488.7 million as of June 30, 2024 from RMB666.5 million as of December 31, 2023. The decrease is primarily attributable to foreign exchange interest rate fluctuation and cash used in our operating activities. As of June 30, 2024, the current liabilities of the Group were RMB401.9 million, including trade payables of RMB54.2 million, other payables and accruals of RMB176.2 million, interest-bearing bank borrowings of RMB154.0 million, and lease liabilities of RMB17.2 million.

Our net cash used in operating activities amounted to RMB179.7 million and RMB168.1 million for the six months ended June 30, 2024 and 2023, respectively. As our business develops and expands, we expect to generate more cash from our operating activities mainly through sales of our products. We shall continue to advance our late stage clinical assets into NDA stage and commercialization which will bring incremental cash flow to fund our operations in the foreseeable future.

For the six months ended June 30, 2024, our net cash flows used in investing activities was RMB13.0 million, primarily as a result of (i) proceeds from disposal of financial assets at FVTPL of RMB99.7 million; and (ii) purchase of financial assets measured at FVTPL of RMB50.0 million, and (iii) deposit paid in respect of construction in progress of RMB43.9 million.

For the six months ended June 30, 2024, our net cash flows from financing activities was RMB12.3 million, primarily as a result of (i) principal portion of lease payments of RMB7.1 million; and (ii) new interest-bearing bank borrowings of RMB135.0 million and partially offset by repayment of interest-bearing bank borrowings of RMB135.8 million.

Contingent Liabilities

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

Foreign Exchange Exposure

For the six months ended June 30, 2024, the Group mainly operated in China and a majority of its transactions were settled in Renminbi, the functional currency of the Company's primary subsidiaries. The Group is exposed to foreign currency risk as a result of certain cash and bank balances and financial assets at fair value through profit and loss. We currently do not have a foreign currency hedging policy. However, our management monitors foreign exchange exposure and will consider hedging significant foreign exchange exposure should the need arise.

Future Investment Plans and Expected Funding

The Group had no material capital expenditure plan as of the date of this announcement.

Employees and Remuneration

As of June 30, 2024, the Group had 193 full-time employees, who were based in Shanghai, Beijing, and other cities of China and U.S. The total employee benefits expenses of our Group, which consisted of (i) wages, salaries and bonuses; (ii) social security costs; (iii) employee welfare and (iv) equity-settled share awards, for the six months ended June 30, 2024, were approximately RMB63.0 million.

We recruit our employees based on a number of factors, including work experience, educational background and the requirements of a relevant vacancy etc.. We invest in continuing education and training programs for our management staff and other employees to upgrade their skills and knowledge continuously. We provide our employees with regular feedback as well as internal and external training in various areas, such as product knowledge, project development and team building. We also assess our employees based on their performance to determine their salary, promotion and career development. In compliance with the relevant PRC labor laws, we enter into individual employment contracts with our employees covering matters such as terms, wages, employee benefits, workplace safety, confidentiality obligations, non-competition and grounds for termination. In addition, we are required under PRC laws to make contributions to statutory employee benefit plans (including pension plans, medical insurance, work-related injury insurance, unemployment insurance, maternity insurance and housing funds) at a certain percentage of our employees' salaries, up to a maximum amount specified by local governments.

FUTURE DEVELOPMENT

Following years of cultivation in the oncology field, our Company has been establishing a drug pipeline from the different stages of R&D to the commercialization for the treatment of various types of cancers as a chronic disease. Regardless of the overall changes of the drug development environment in China, we will continually focus on the oncology immunotherapy in the next 3-5 years to fit the unmet medical need and to treat the cancer as a chronic disease. Especially, we are going to continue to expand the indications of our commercialized product－恩維達® globally and develop a new generation of cancer vaccine for further treatment and prevention of cancer metastasis and recurrence.

We currently have one commercialized product in China and plan to commercialize it globally once the MRCT is completed and the product is approved by FDA and other major international regulatory agencies. We feel confident and are optimistic about our Company's business both in R&D and the commercialization. Although the PDX products face fierce competition in China, 恩維達® is expected to continue to take over the China drug market with the expanding indications and its advantage of the unique subcutaneous injection, and to help more cancer patients to reduce treatment burdens and improve their quality of life. As more and more patients and doctors in second- and third-tier cities understand 恩維達®, the simplified treatment using Subcutaneous instead IV injection will significantly reduce their treatment costs and provided much more convenience.

In addition to the approval in China, 恩維達® has been studied in pivotal/registration MRCTs for multiple tumor indications in China, the United States, and Japan. Envafolimab was granted orphan drug designation by the FDA for advanced cholangiocarcinoma and soft tissue sarcoma. We believe that 恩維達®'s sales will be sustained in growth in the next 5 years. We look forward to that the academic community and physicians worldwide will be gradually recognizing the world's first subcutaneous injection PDX. The global commercialization of 恩維達® is a key project that the Company has been currently pursuing.

At the same time, the Company is also strengthening international drug development in our product pipelines. For example, our investigational drug 3D185 was granted two orphan drug designations by the U.S. FDA for the treatment of gastroesophageal junction cancer, and cholangiocarcinoma. Our 3D189 has been granted fast track designation and orphan drug designations by FDA for the treatment of AML, MPM, and MM. The EMA also grant the 3D189 for orphan drug designations for AML, MPM, and MM.

Cancer vaccine is another important focus for the Company. Currently, we are working on a peptide cancer vaccine targeting the WT1 antigen, which could potentially provide benefits to more than 20 types of cancers including both blood and solid tumors. So far innovative oncology drugs are still remained as the growth driver for global innovative medicines. With years of application of tumor immunotherapy, mortality has been significantly decreased for many types of cancers, which greatly encourages cancer patients and innovators. However, metastasis and recurrence are still the major obstacles for cancer as the chronic disease. We expect that our clinical development of tumor vaccine would help to reduce the incidence of metastasis and recurrence of various types of cancers.

Overall, with the continuous expansion of indications and steady sales growth from 恩維達®, along with the rapid and effective clinical development of our other drug products discussed above in our pipeline, the Company is poised to deliver clinical value to more patients and become a fast growth channel for the Company's performance.

SUBSEQUENT EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in this interim results announcement, the Group had no significant events after the Reporting Period.

USE OF NET PROCEEDS FROM LISTING

The 255,642,000 Shares were listed on the Main Board of the Stock Exchange by way of Global Offering on December 15, 2022, and the total net proceeds received by the Company from the Global Offering (excluding the proceeds from the partial exercise of the Over-allotment Option) amounted to approximately HK$251.1 million after deducting professional fees, underwriting commissions and other related listing expenses.

The 415,000 Shares in connection with the partial exercise of the Over-allotment Option were listed on the Main Board of the Stock Exchange on January 11, 2023, and the additional net proceeds (together with the total net proceeds from the Global Offering, the "**Net Proceeds**") received by the Company amounted to approximately HK$10.4 million after deducting professional fees, underwriting commissions and other related listing expenses.

The intended uses and the utilised amount of the total net proceeds from the Global Offering (including the proceeds from the partial exercise of the Over-allotment Option) as at June 30, 2024 are set out below:

Intended use of proceeds as stated in the Prospectus		**Percentage to total amount** *%*	**Total net proceeds from the Global Offering (including the proceeds from the partial exercise of the Over-allotment Option)** *(RMB'000)*	**Utilized amount during the Reporting Period** *(RMB'000)*	**Utilised amount as at June 30, 2024** *(RMB'000)*	**Expected time frame for unutilized amounts**
(a)	Research and development, regulatory filings and commercialization of our product and drug candidates:	90	209,635.1	77,228.7	175,071.1	Dec, 2025
	(i) 恩維達® envafolimab	55	128,110.3	71,773.0	128,110.3	Not applicable
	(ii) other drug candidates	25	58,232.0	4,681.1	42,820.9	Dec, 2025
	(iii) the construction of our in-house production facilities in Xuzhou, Jiangsu province and procurement of new machineries, instruments and equipment	10	23,292.8	774.6	4,139.8	Dec, 2025
(b)	General corporate and working capital purposes	10	23,292.8	0	23,292.8	Not applicable
Total		100	232,927.9	77,228.7	198,363.8	

The Group will utilize the Net Proceeds in accordance with the intended purposes as set out in the Prospectus. The Board is not aware of any material change to the planned use of the Net Proceeds as at the date of this interim results announcement.

USE OF NET PROCEEDS FROM THE 2023 PLACING

On July 21, 2023, an aggregate of 2,150,000 new shares were issued at a price of HK$108.00 per share to not less than six professional, institutional or other investors that are Independent Third Parties (the "**2023 Placing**") pursuant to the placing agreement (the "**2023 Placing Agreement**") dated July 14, 2023, representing approximately 0.83% of the enlarged issued share capital of the Company immediately following the 2023 Placing. The placing price per share was HK$108.00, and the net price per share for the subscription after deducting related costs and expenses was approximately HK$105.2 per share. The net proceeds raised from the 2023 Placing were approximately HK$226.8 million. The intended uses and the utilised amount of the total net proceeds from the 2023 Placing as at June 30, 2024 are set out below:

Intended use of proceeds	**Percentage to total amount** *(%)*	**Total net proceeds from the 2023 Placing** *(RMB'000)*	**Utilized amount during the Reporting Period** *(RMB'000)*	**Utilised amount as at June 30, 2024** *(RMB'000)*	**Expected time frame for unutilized amounts**
(a) Planned clinical trials to evaluate envafolimab monotherapy	50	103,686.4	2,159.7	2,469.2	Dec, 2025
(b) Building construction and procurement of equipment for our manufacturing facilities in Xuzhou, China	40	82,949.2	0	–	Dec, 2025
(c) Our general corporate and working capital purposes	10	20,737.3	0	20,737.3	Not applicable
TOTAL	100	207,372.9	2,159.7	23,206.4	

The Group will utilize the net proceeds from the 2023 Placing in accordance with the intended purposes as set out in the Announcement dated July 14, 2023. The Board is not aware of any material change to the planned use of the net proceeds from the 2023 Placing as at the date of this announcement.

INTERIM DIVIDEND

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

CORPORATE GOVERNANCE

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders and to enhance corporate value and accountability. The Company has adopted the CG Code as set out in Appendix C1 to the Listing Rules as its own code of corporate governance. The Company has complied with all applicable code provisions of the CG Code during the Reporting Period, save for the following deviations from the code provisions C.2.1 and F.1.1 as explained below. The Company will continue to review and monitor its corporate governance practices to ensure compliance with the CG Code.

Code provision C.2.1 of the CG Code stipulates that the roles of chairman and chief executive should be segregated and should not be performed by the same individual. According to the current structure of the Board, the positions of the Chairman and Chief Executive Officer of the Company are held by Dr. Gong Zhaolong.

The Board believes that this structure does not impair the balance of power and authority between the Board and the management of the Company, given that: (i) decision to be made by the Board requires approval by at least a majority of the Directors and that the Board comprises three independent non-executive Directors out of seven Directors, and the Board believes there is sufficient check and balance on the Board, (ii) Dr. Gong Zhaolong and the other Directors are aware of and undertake to fulfil their fiduciary duties as Directors, which require, among other things, that they act for the benefit and in the best interests of the Company and will make decisions of the Group accordingly, and (iii) the balance of power and authority is ensured by the operations of the Board which comprises experienced and high caliber individuals who meet regularly to discuss issues affecting the operations of the Group. Moreover, the overall strategic and other key business, financial and operational policies of the Group are made collectively after thorough discussion at both the Board and senior management levels. Finally, as Dr. Gong Zhaolong is our principal founder, 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 will continue to review the effectiveness of the corporate governance structure of the Group in order to assess whether separation of the roles of chairman and chief executive officer is necessary.

Code provision F.1.1 of the CG Code provides that the issuer should have a policy on payment of dividends. As the Company expects to retain all future earnings for use in the operation and expansion of the business and does not have any dividend policy to declare or pay any dividends in the near future. The Board will review the Company's status periodically and consider adopting a dividend policy if and when appropriate.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as set out in Appendix C3 of the Listing Rules as its own code of conduct regarding directors' securities transactions. Having made specific enquiries of all Directors, save as disclosed below, each of the Directors has confirmed that he/she has complied with the required standards as set out in the Model Code during the Reporting Period.

To the best knowledge of the Company, on January 29 and 30, 2024, the spouse of a non-executive Director acquired a total of 13,000 shares of the Company on the open market at the price of HK$6.16 and HK$5.84 per share respectively without notifying the Company prior to such acquisition, with a total holding of 41,000 shares of the Company. The relevant Director reported the non-compliance of rule A.3(a) and B.8 of the Model Code was inadvertent and he and his spouse had no intention to commit such breaches. The relevant Director also confirmed that neither himself nor his spouse possess any inside information of the Company when the dealing took place, and he will apply closer scrutiny towards rule A.3(a) and B.8 of the Model Code to avoid committing similar breaches in the future. Upon becoming aware of the above incident, the Company has immediately reminded the Directors and senior management again of the requirements of the Model Code and the importance of compliance with the Model Code. In order to ensure compliance with the Model Code and prevent similar incidents in the future, the Company will continue to provide regular training to the Directors, senior management and staff of the Company so as to keep them abreast of the relevant requirements. The Company will also circulate the Model Code and remind the Directors to comply with the Model Code more frequently, in addition to the reminders sent before the commencement of each blackout period, to ensure compliance with and enhance their awareness of good corporate governance practices.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the six months ended June 30, 2024, the Company repurchased a total of 30,000 shares of the Company on the Stock Exchange at an aggregate consideration of approximately HK$175,250. Particulars of the shares repurchased are as follows:

Month of Repurchase	No. of Shares Repurchased	Price Paid per Share		Aggregate Consideration
		Highest *(HK$)*	Lowest *(HK$)*	*(HK$)*
January	10,000	5.83	5.83	58,300
February	20,000	5.85	5.85	116,950

Save as disclosed above, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company during the six months ended June 30, 2024.

REVIEW OF INTERIM RESULTS

The Audit Committee has reviewed the unaudited condensed consolidated interim financial information of the Group for the six months ended June 30, 2024 and confirmed that it has complied with all applicable accounting principles, standards and requirements, and made sufficient disclosures. The Audit Committee has also discussed the matters of audit and financial reporting.

In addition, the Company's external auditor, Modern Assure CPA Limited, has performed an independent review of the Group's interim condensed consolidated financial information for the Reporting Period in accordance with Hong Kong Standard on Review Engagements 2400, "Engagements to Review Historical Financial Statements". Based on their review, Modern Assure CPA Limited confirmed that nothing has come to their attention that causes them to believe that the interim condensed consolidated financial information for the Reporting Period is not prepared, in all material respects, in accordance with International Accounting Standard 34 "Interim Financial Reporting".

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.3d-medicines.com), and the 2024 Interim Report containing all the information required by the Listing Rules will be disseminated electronically (or in hard copy upon request) to the Shareholders and published on the respective websites of the Stock Exchange and the Company in due course.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended June 30, 2024

	Notes	Six months ended June 30, 2024	2023
		RMB'000	*RMB'000*
		(Unaudited)	(Unaudited)
Revenue	*4*	**206,422**	352,553
Cost of sales		**(17,473)**	(27,301)
Gross profit		**188,949**	325,252
Other income and gains	*4*	**22,437**	23,605
Research and development expenses		**(85,291)**	(151,606)
Administrative expenses		**(43,504)**	(78,367)
Selling and marketing expenses		**(110,078)**	(220,969)
Royalty expenses	*6*	**(15,619)**	(35,100)
Other expenses	*5*	**(61,134)**	(48,699)
Finance costs		**(5,063)**	(4,043)
Impairment losses on financial assets, net	*6*	**(4,771)**	(277)
LOSS BEFORE TAX		**(114,074)**	(190,204)
Income tax expense	*7*	**–**	–
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		**(114,074)**	(190,204)
Attributable to:			
Owners of the parent company		**(103,509)**	(178,485)
Non-controlling interests		**(10,565)**	(11,719)
		(114,074)	(190,204)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT COMPANY			
Basic and diluted (RMB)	*9*	**(0.42)**	(0.79)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at June 30, 2024

	Notes	**As at June 30, 2024** ***RMB'000*** **(Unaudited)**	As at December 31, 2023 *RMB'000* (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment		**130,944**	133,266
Intangible assets		**676**	727
Right-of-use assets		**34,523**	59,984
Deposits and other non-current assets		**59,099**	14,202
Financial assets measured at amortised cost		**–**	124,272
Amount due from a related party		**1,291**	1,277
Total non-current assets		**226,533**	333,728
CURRENT ASSETS			
Inventories		**8,032**	4,612
Trade receivables	*10*	**36,576**	5,459
Prepayments, other receivables and other assets		**93,815**	88,506
Financial assets at fair value through profit or loss ("**FVTPL**")		**164,122**	209,329
Financial assets measured at amortised cost		**245,760**	120,776
Cash and bank balances		**488,697**	666,472
Total current assets		**1,037,002**	1,095,154
CURRENT LIABILITIES			
Trade payables	*11*	**54,238**	71,899
Other payables and accruals		**176,181**	178,483
Interest-bearing bank and other borrowings		**154,005**	201,374
Income tax payables		**–**	55
Amount due to a related party		**–**	800
Lease liabilities		**17,192**	23,225
Contract liabilities		**288**	24,535
Total current liabilities		**401,904**	500,371
NET CURRENT ASSETS		**635,098**	594,783
TOTAL ASSETS LESS CURRENT LIABILITIES		**861,631**	928,511

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(continued)
As at June 30, 2024

	Notes	**As at June 30, 2024** ***RMB'000*** **(Unaudited)**	As at December 31, 2023 *RMB'000* (Audited)
NON-CURRENT LIABILITIES			
Lease liabilities		**13,023**	28,584
Interest-bearing bank borrowings		**75,742**	29,242
Total non-current liabilities		**88,765**	57,826
NET ASSETS		**772,866**	870,685
EQUITY			
Equity attributable to owners of the parent company			
Share capital		**226**	226
Treasury shares		**(172)**	(12)
Reserves		**847,812**	936,525
		847,866	936,739
Non-controlling interests		**(75,000)**	(66,054)
TOTAL EQUITY		**772,866**	870,685

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

1. CORPORATE INFORMATION AND BASIS OF PREPARATION

1.1 CORPORATE INFORMATION

3D Medicines Inc. (the "**Company**") was incorporated in the Cayman Islands ("**Cayman**") on January 30, 2018 as a limited liability company. The registered office address of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

The Company is an investing holding company. The Company and its subsidiaries (collectively referred to as the "**Group**") are principally engaged in the research, development and commercialisation of pharmaceutical products.

1.2 BASIS OF PREPARATION

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

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

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

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*

The application of the new and amendments to IFRSs in the current period has had no material impact on the Group's financial positions and performance for the current and prior years.

3. OPERATING SEGMENT INFORMATION

Operating segment information

The Group is engaged in biopharmaceutical research and development, which is regarded as a single reportable segment in a manner consistent with the way in which information is reported internally to the Group's senior management for purposes of resource allocation and performance assessment. Therefore, no further operating segment analysis thereof is presented.

Geographical information

During the reporting period, all of the Group's revenues were derived from customers located in Mainland China and almost all of the Group's non-current assets were located in Mainland China, and therefore no geographical information is presented in accordance with IFRS 8 Operating Segments.

Information about major customers

Revenue from each major customer (including sales to a group of entities which are known to be under common control with that customer) which accounted for 10% or more of the Group's revenue during the reporting period is set out below:

	Six months ended June 30,	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Customer A	**86,014**	147,848
Customer B	**28,748**	N/A*
Customer C	**24,968**	39,065

* Less than 10% of the Group's total revenue for the six months ended June 30, 2023

4. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	Six months ended June 30,	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Revenue from contracts with customers		
Sales of products	**206,422**	352,553

Revenue from contracts with customers

Disaggregated revenue information for revenue from contracts with customers

	Six months ended June 30,	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Geographical market		
Mainland China	**206,422**	352,553
Timing of revenue recognition		
Goods transferred at a point in time	**206,422**	352,553

An analysis of other income and gains is as follows:

	Six months ended June 30,	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Other income		
Government grants income	**1,136**	4,724
Interest income	**6,145**	2,822
Investment income on other investments classified as financial assets at FVTPL	**–**	44
Investment income on other investments classified as financial assets at amortised cost	**7,052**	6,013
	14,333	13,603
Other Gains		
Gain on termination of a lease	**1,084**	–
Foreign exchange gains, net	**3,480**	8,177
Fair value gains on other investments classified as financial assets at FVTPL	**3,520**	1,825
Others	**20**	–
	8,104	10,002
Total of other income and other gains	**22,437**	23,605

5. OTHER EXPENSES

	Six months ended June 30,	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Donation	**61,134**	48,293
Compensation	**–**	406
	61,134	48,699

6. LOSS BEFORE TAX

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

	Six months ended June 30,	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Marketing service fees	**89,528**	192,294
Royalty expenses	**15,619**	35,100
Cost of inventories sold	**17,473**	27,301
Impairment losses on financial assets, net	**4,771**	277
Fair value gains on other investments classified as financial assets at FVTPL	**(3,520)**	(1,825)

7. INCOME TAX

The Group had no income tax expense during the reporting period.

8. DIVIDENDS

No dividends have been declared and paid by the Company during the six months ended June 30, 2024.

9. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT COMPANY

The calculation of the basic loss per share amount is based on the loss attributable to ordinary equity holders of the parent company and the weighted average number of ordinary shares in issue (excluding shares reserved for share incentive scheme and shares repurchased) during the reporting period.

No adjustment has been made to the basic loss per share amounts presented for the six months ended June 30, 2024 in respect of a dilution as the impact of the preferred shares and restricted share units had an anti-dilutive effect on the basic loss per share amounts presented.

The calculation of the basic and diluted loss are based on:

	Six months ended June 30,	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Loss		
Loss attributable to ordinary equity holders of the parent company, used in the basic loss per share calculation (RMB'000)	**(103,509)**	(178,485)
Number of shares		
Weighted average number of ordinary shares in issue during the period, used in the basic loss per share calculation ('000)	**245,049**	224,586
Loss per share (basic and diluted)		
RMB per share	**(0.42)**	(0.79)

10. TRADE RECEIVABLES

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	June 30,	December 31,
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Within 3 months	**36,576**	5,459

11. TRADE PAYABLES

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

	June 30,	December 31,
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Within 3 months	**23,868**	40,501
3 to 6 months	**5,080**	18,254
6 months to 1 year	**18,183**	13,144
More than 1 year	**7,107**	–
	54,238	71,899

DEFINITIONS AND GLOSSARY

In this interim results announcement, unless the context otherwise requires, the following expressions shall have the following meanings.

"恩維達®"	envafolimab (brand name: ENWEIDA, 恩維達®), a subcutaneously-injectable PD-L1 inhibitor for the treatment of tumor-agnostic indications
"AML"	acute myeloid leukemia, a type of cancer that progresses rapidly and aggressively, and affects the bone marrow and blood
"Audit Committee"	the audit committee of the Board
"BLA"	biologic license application
"Board of Directors" or "Board"	the board of Directors
"CD3"	cluster of differentiation 3, a protein complex (enzyme) and T-cell co-receptor that is involved in activating both the cytotoxic T-cell and T helper cells
"CDE"	Center for Drug Evaluation of the NMPA
"CG Code"	the "Corporate Governance Code" as contained in Appendix C1 to the Listing Rules
"China" or "PRC"	the People's Republic of China, which, for the purpose of this interim results announcement and for geographical reference only, excludes Hong Kong, Macau and Taiwan
"CMO(s)"	a contract manufacturing organization, which provides support to the pharmaceutical industry in the form of manufacturing services outsourced on a contract basis
"Company" or "our Company"	3D Medicines Inc., an exempted company with limited liability incorporated under the laws of the Cayman Islands on January 30, 2018
"Director(s)"	the director(s) of the Company or any one of them
"EMA"	European Medicines Agency
"FDA"	the United States Food and Drug Administration
"Global Offering"	the Hong Kong Public Offering and the International Offering

"GMP"	good manufacturing practice, guidelines and regulations issued from time to time pursuant to the PRC Law on the Administration of Pharmaceuticals (《中華人民共和國藥品管理法》) as part of quality assurance which ensures that pharmaceutical products subject to these guidelines and regulations are consistently produced and controlled in conformity to the quality and standards appropriate for their intended use
"Group", "our Group", "our", "we", or "us"	the Company and all of its subsidiaries, or any one of them as the context may require or, where the context refers to any time prior to its incorporation, the business which its predecessors or the predecessors of its present subsidiaries, or any one of them as the context may require, were or was engaged in and which were subsequently assumed by it
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong dollars" or "HK dollars" or "HK$"	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong
"IFRS"	International Financial Reporting Standards, as issued from time to time by the International Accounting Standards Board
"IND"	investigational new drug or investigational new drug application, also known as clinical trial application in China
"Independent Third Party" or "Independent Third Parties"	a person or entity who is not a connected person of the Company under the Listing Rules
"Jiangsu Alphamab"	Jiangsu Alphamab Biopharmaceuticals Co., Ltd. (also known as Jiangsu Alphamab Pharmaceuticals Co., Ltd.) (江蘇康寧傑瑞生物製藥有限公司), a limited liability company established in PRC on July 14, 2015 and a wholly owned subsidiary of Alphamab Oncology (康寧傑瑞生物製藥)
"KRAS"	Kirsten rat sarcoma virus, a gene that provides instructions for making a protein called K-Ras, a part of the RAS/MAPK pathway
"Listing"	the listing of the Shares on the Main Board of the Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended, supplemented or otherwise modified from time to time)
"Model Code"	the "Model Code for Securities Transactions by Directors of Listed Issuers" set out in Appendix C3 to the Listing Rules

"MRCT"	multi-regional clinical trial
"mRNA"	Messenger RNA
"NDA"	new drug application
"NMPA"	the National Medical Product Administration of the PRC (國家藥品監督管理局), successor to the China Food and Drug Administration or CFDA (國家食品藥品監督管理總局)
"NSCLC"	non-small cell lung cancer
"Over-allotment Option"	the option exercised by the Joint Representatives on behalf of the International Underwriters under the International Underwriting Agreement in respect of an aggregate of 415,000 Shares on January 6, 2023
"PD-1"	programmed cell death protein 1, an immune checkpoint receptor expressed on T cells, B cells and macrophages. The normal function of PD-1 is to turn off the T cell mediated immune response as part of the process that stops a healthy immune system from attacking other pathogenic cells in the body. When PD-1 on the surface of a T cell attaches to certain proteins on the surface of a normal cell or a cancer cell, the T cell turns off its ability to kill the cell
"PD-L1"	PD-1 ligand 1, which is a protein on the surface of a normal cell or a cancer cell that attaches to certain proteins on the surface of the T cell that causes the T cell to turn off its ability to kill the cancer cell
"PDX"	Patient-derived tumor xenografts
"Prospectus"	the prospectus of the Company dated November 29, 2022
"R&D"	research and development
"RCC"	renal cell carcinoma
"Reporting Period"	for the six months ended June 30, 2024
"RMB"	Renminbi, the lawful currency of the PRC
"Share(s)"	ordinary share(s) with nominal value of HK$0.001 each in the share capital of the Company
"Share Option Scheme"	the share option scheme approved and adopted by our Company on June 26, 2023, as amended from time to time

"Shareholder(s)"	holder(s) of the Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"United States" or "U.S."	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
"WT1"	Wilms Tumor 1, a protein that in humans is encoded by the WT1 gene on chromosome 11p
"%"	per cent

By order of the Board
3D Medicines Inc.
Dr. Gong Zhaolong
Chairman of the Board and Executive Director

Hong Kong, August 30, 2024

As at the date of this announcement, the Board of Directors of the Company comprises Dr. GONG Zhaolong as executive Director, Mr. ZHU Pai, Mr. ZHOU Feng and Ms. CHEN Yawen as non-executive Directors, and Dr. LI Jin, Dr. LIN Tat Pang and Mr. LIU Xinguang as independent non-executive Directors.