Transcenta Holding Limited
創勝集團醫藥有限公司

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

(Stock Code: 6628)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED DECEMBER 31, 2024; AND CHANGE IN USE OF PROCEEDS

The board (the "**Board**") of directors (the "**Directors**") of Transcenta Holding Limited (the "**Company**" or "**Transcenta**", and together with its subsidiaries, the "**Group**") hereby announces the audited consolidated results of the Group for the year ended December 31, 2024 (the "**Reporting Period**"), together with the comparative figures for the year ended December 31, 2023. The consolidated financial statements of the Group for the Reporting Period have been reviewed by the audit committee of the Company (the "**Audit Committee**") and audited by the Company's auditors, Deloitte Touche Tohmatsu (the "**Auditor**").

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

FINANCIAL HIGHLIGHTS

International Financial Reporting Standards ("IFRS") Measures:

- **Revenue** decreased by RMB42.5 million from RMB53.8 million for the year ended December 31, 2023 to RMB11.3 million for the year ended December 31, 2024, primarily attributable to the decrease in CDMO services.
- **Other income** decreased by RMB13.8 million from RMB37.3 million for the year ended December 31, 2023 to RMB23.5 million for the year ended December 31, 2024, primarily attributable to the decrease in interest income and government grants recognized during the year ended December 31, 2024.
- **Other gains and losses** decreased by RMB22.6 million from a gain of RMB2.4 million for the year ended December 31, 2023 to a loss of RMB20.2 million for the year ended December 31, 2024, primarily attributable to the loss on disposal of property, plant and equipment.
- **Research and development expenses** decreased by RMB189.9 million from RMB382.0 million for the year ended December 31, 2023 to RMB192.1 million for the year ended December 31, 2024, primarily attributable to key pipeline advancement and resource reprioritization.

- **Administrative and selling expenses** decreased by RMB46.9 million from RMB117.4 million for the year ended December 31, 2023 to RMB70.5 million for the year ended December 31, 2024, primarily attributable to the decrease in personnel cost and professional services.

- As a result of the above factors, **loss and total comprehensive expenses for the year** decreased by RMB171.4 million from RMB465.7 million for the year ended December 31, 2023 to RMB294.3 million for the year ended December 31, 2024, primarily attributable to reprioritization in Research and Development (R&D) investment related to our key pipelines and the decrease in personnel cost and professional services.

Non-International Financial Reporting Standards ("Non-IFRS") Measures:

- **Revenue** decreased by RMB42.5 million from RMB53.8 million for the year ended December 31, 2023 to RMB11.3 million for the year ended December 31, 2024, primarily attributable to the decrease in CDMO services.

- **Other income** decreased by RMB13.8 million from RMB37.3 million for the year ended December 31, 2023 to RMB23.5 million for the year ended December 31, 2024, primarily attributable to the decrease in interest income and government grants recognized during the year ended December 31, 2024.

- **Research and development expenses** excluding the share-based payment expenses decreased by RMB194.4 million from RMB372.5 million for the year ended December 31, 2023 to RMB178.1 million for the year ended December 31, 2024, primarily attributable to our key pipeline development and resource reprioritization.

- **Administrative and selling expenses** excluding the share-based payment expenses decreased by RMB38.1 million from RMB98.6 million for the year ended December 31, 2023 to RMB60.5 million for the year ended December 31, 2024, primarily attributable to the decrease in personnel cost and professional services.

- **Adjusted loss and total comprehensive expenses for the year** excluding share-based payment expenses decreased by RMB166.9 million from RMB437.3 million for the year ended December 31, 2023 to RMB270.4 million for the year ended December 31, 2024, primarily due to reprioritization in R&D investment related to our key pipelines and the decrease in personnel cost and professional services.

BUSINESS HIGHLIGHTS

Summary

During the Reporting Period, the Company continued to accelerate clinical progress across both the oncology and non-oncology pipelines.

For our lead oncology asset, the Claudin18.2-targeting antibody osemitamab (TST001), we have reached key milestones for the treatment of gastric or gastroesophageal junction (G/GEJ) cancer. We successfully received regulatory clearances from the U.S. Food and Drug Administration (FDA), China Center for Drug Evaluation (CDE) and South Korea Ministry of Food and Drug Safety (MFDS). In September, we presented encouraging results from the cohort-G data for osemitamab (TST001) plus checkpoint inhibitor and standard of care chemotherapy as the first-line treatment for patients with advanced G/GEJ cancer (TranStar102) at ESMO (European Society for Medical Oncology) 2024 annual meeting. The results showed that the median progression-free survival (PFS) reached 14.2 months and the confirmed objective response rate was 68% for patients with high or medium (H/M) CLDN18.2 expression and known PDL1 status. All the achievements validate and further support our strategy for a global Phase III trial (TranStar301). Osemitamab (TST001) is on track to become a promising global therapy that delivers the next wave of innovation in the first-line treatment of patients with Claudin18.2 expressing locally advanced or metastatic G/GEJ cancer. We also plan to explore several Claudin18.2 expressing solid tumors other than G/GEJ cancer. We were successfully granted the issuance of China patent for Claudin18.2 in August 2024 by the National Intellectual Property Administration of China, of Russia patent for Claudin18.2 in November 2024 by the Federal Service for Intellectual Property of the Russian Federation, and of Hong Kong patent for Claudin18.2 in March 2025 by the Intellectual Property Department of Hong Kong.

For our lead non-oncology asset, the anti-sclerostin antibody blosozumab (TST002), we presented Single Ascending Dose (SAD) study results at the 2024 World Congress on Osteoporosis, Osteoarthritis and Musculoskeletal Diseases (WCO-IOFESCEO Congress) in April. Our findings have shown that after a single dose of blosozumab (TST002) up to 1,200 mg, the average increase of lumbar spine BMD at day 85 (D85) ranged from 3.52% to 6.20% and total hip BMD from 1.30% to 2.24% across dose cohorts. The lumbar spine BMD increase exceeded the least significant difference level (2.77%) and was clinically meaningful.

In addition, we presented a late-breaking poster for preclinical study results of TST013 at the San Antonio Breast Cancer Symposia (SABCS) in December 2024. TST013, a novel humanized LIV-1 antibody-based antibody drug conjugate (ADC) with site-specific conjugation and Topoisomerase I Inhibitor payload displayed significantly higher anti-tumor activities than same target based ADCs with payload of MMAE in triple negative breast cancer (TNBC) tumor models.

In 2024, we initiated IND-enabling studies for TST801, our first-in-class bifunctional antibody fusion protein of anti-BAFF antibody and TACI receptor. BAFF and APRIL, two ligands that TACI receptor binds, are involved in regulating B cell activation and differentiation, with both being validated targets in several autoimmune diseases such as Systemic Lupus Erythematosus (SLE), Lupus Nephritis (LN) and IgA nephropathy (IgAN). Therefore, TST801 has the potential for the treatment of multiple diseases with high unmet medical needs and high prevalence globally.

Furthermore, progress has been made in improving our continuous bioprocessing platform technology HiCB (Highly Intensified Continuous Bioprocessing) and the technology has been successfully implemented in the GMP manufacturing of osemitamab (TST001) for use in pivotal trials.

As of the date of this announcement, a shortlist of our achievements includes the following:

Clinical Programs Achievements

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

- In April 2024, we presented the safety and PK data of TranStar101 study at the 2024 American Association for Cancer Research (AACR) annual meeting. The safety and pharmacokinetic profile of osemitamab (TST001) in the U.S. patients, is consistent with the profile reported in Chinese patients from the TranStar102 study.

- In June 2024, we presented the initial efficacy and safety data of Cohort-G in the TranStar102 study for osemitamab (TST001) plus checkpoint inhibitor and CAPOX (triplet) as the first-line treatment of patients with locally advanced or metastatic G/GEJ cancer at American Society of Clinical Oncology (ASCO) annual meeting. Patients were enrolled regardless of their level of CLDN18.2 expression or PD-L1 CPS value. The efficacy endpoint, median progression-free survival (PFS) of the triplet in the G/GEJ cancer patients with high/medium (H/M) Claudin18.2 expressing and PDL1 status known tumors, was 12.6 months. This further supports our strategy of developing this triplet combination for the first line treatment of CLDN18.2 positive G/GEJ cancer in a global Phase III trial.

- In August 2024, we were successfully granted the issuance of China patent for Claudin18.2 by the National Intellectual Property Administration of China, and were granted the issuance of Russia patent for Claudin18.2 in November 2024 by the Federal Service for Intellectual Property of the Russian Federation.

- In September 2024, we presented updated data from Cohort-G for osemitamab (TST001) plus Nivolumab and CAPOX (triplet) as the first-line treatment for patients with advanced G/GEJ cancer (TranStar102) at ESMO annual meeting. The results demonstrated that the median PFS continued to improve with longer follow-up and reached 14.2 months for patients with tumors of H/M CLDN18.2 expression and known PD-L1 status. The confirmed objective response rate was 68% in this patient population. The 12-month survival rate for the overall population (82 patients, including all CLDN18.2 expression levels) in this cohort was 73.8%.

Companion Diagnostic Test (CDx) Progress for Osemitamab (TST001)

- Since the Company extended the collaboration with Agilent, a world leader in CDx development, the development of Claudin18.2 companion diagnostics (CDx) has advanced as planned to support the TranStar301 global Phase III pivotal trial of osemitamab (TST001) in combination with checkpoint inhibitor and chemotherapy as the first-line treatment in patients with Claudin18.2 expressing locally advanced or metastatic G/GEJ adenocarcinoma. A poster was presented jointly by Transcenta and Agilent at AACR in April 2024 to highlight the technical performance parameters of the IHC assay. Such tool will help us identify patients with high likelihood to benefit from osemitamab (TST001), thus potentially increase the probability of success of the Phase III trial as well as enable the gathering of all necessary information in support of future premarket approval activities, at appropriate times.

Blosozumab (TST002, A Humanized Sclerostin mAb for Osteoporosis)

- Blosozumab (TST002) SAD study result was published in the 2024 WCO-IOF-ESCEO Congress. The study result has also been presented in 2024 Chinese Society for Osteoporosis and Bone and Mineral Research Congress (CSOBMR) in April. After a single dose of blosozumab (TST002) up to 1,200 mg, the average increase of lumbar spine BMD at day 85 (D85) ranged from 3.52% to 6.20% and total hip BMD from 1.30% to 2.24% across dose cohorts. The lumbar spine BMD increase exceeded the least significant difference level (2.77%) and was clinically meaningful.

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

- TST003-1001 study, the FIH trial, is ongoing at multiple clinical centers in the U.S. and China. Dose escalation of monotherapy has been completed. TST003 has demonstrated good safety and tolerability, and dose proportional PK profiles were observed.

- A Trial in Progress (TiP) poster of TST003-1001 study was presented at the 2024 AACR annual meeting.

Research/Early Development Update

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

- TST105 is a humanized bispecific antibody-based drug conjugate (ADC) targeting FGFR2b and an undisclosed tumor antigen, FGFR2b is a validated tumor antigen overexpressed in gastric cancer, lung cancer and other solid tumors. We have obtained promising anti-tumor activity data for lead the antibody in *in vivo* studies. We are currently developing the bispecific ADC to improve therapeutic window.

TST013 (An ADC Candidate Targeting a Validated Tumor Antigen)

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

- In December 2024, we presented a late-breaking poster for the preclinical data of TST013 at the San Antonio Breast Cancer Symposia (SABCS) 2024 titled "Novel Humanized LIV-1 Antibody Based ADCs Site-Specifically Conjugated with Topoisomerase I Inhibitor Payloads Displayed Significantly Higher Anti-tumor Activities than MMAE Based ADCs in TNBC Tumor Models". The lead LIV-1 ADCs (ADC-1 and ADC-2) were engineered using the Company's proprietary antibody with site-specific conjugation of Topoisomerase I (Topo I) inhibitor payloads. These ADCs demonstrated significantly higher tumor regression activities than MMAE-based ADCs in TNBC tumor models. The significantly enhanced anti-tumor activities of ADC-1 and ADC-2 are likely due to the high binding affinity and high internalization efficiency of our proprietary antibody to LIV-1 and the high cytotoxicity of Topo I inhibitor for cancer cells. These data warrant further investigation of the lead LIV-1 targeting ADCs (ADC-1 and ADC-2) as potential next-generation therapeutic agents in LIV-1 expressing breast cancer and other solid tumors.

TST801 (A Bifunctional Antibody Fusion Protein for Autoimmune Diseases)

- TST801 is a first-in-class bifunctional antibody fusion protein of anti-BAFF antibody and TACI receptor. BAFF and APRIL, the ligands for TACI receptor, are involved in regulating B cell activation and differentiation. Both ligands are validated targets in several autoimmune diseases SLE, LN, IgAN and etc. Therefore, TST801 has the potential of delivering improved efficacy in those diseases as well as other B-cell related autoimmune diseases. We have selected the lead molecule and initiated IND-enabling studies. The *in vivo* study of this molecule in the human BAFF overexpressing transgenic mice demonstrated the promising activity in reducing memory B cells, double stranded DNA (dsDNA), Immunoglobulin A (IgA), Immunoglobulin M (IgM) and Immunoglobulin G (IgG), as well as reducing proteinuria and the kidney damage scores.

TST808 (A Humanized Antibody Neutralizing One of the Validated Key Targets Regulating B/Plasma Cell Proliferation and Survival)

- TST808 is a humanized antibody neutralizing one of the validated key targets regulating B/plasma cell proliferation and survival. TST808 has improved properties in blocking B cell proliferation and signalling. It has extended half-life as well. TST808 has the potential of treating multiple autoimmune renal disorders including IgAN. We have obtained lead molecules and initiated IND-enabling studies.

Business Development Achievements

- We have continued the clinical trial collaboration with BMS, and completed the enrolment of phase 2 cohorts of the osemitamab (TST001), checkpoint inhibitor and chemotherapy combination in the TranStar102 trial in China and in the TranStar101 trial in the U.S.

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

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

- We have received a milestone payment from a R&D collaboration partner, enhancing financial sustainability.

- We continue to explore potential collaborations for other pipeline programs, aiming to leverage global expertise and resources of potential partners for development and commercialization. Additionally, we are evaluating strategic deal structures, including the formation of Companies ("**NewCo**") to advance preclinical and clinical-stage assets with external funding, reducing risk for the parent company while enabling focused and efficient asset development, to accelerate time to market and maximize asset value.

- We have signed a term sheet regarding the out-licensing of our advanced HiCB platform technologies. We are in active discussion with additional global partners interested in licensing our proprietary technology platforms.

- We have strengthened our technology partnerships, forming a strategic alliance with a company specialized in siRNA drug substance synthesis, to provide CDMO services in siRNA formulation development and F&F.

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

CMC&CDMO Updates

CMC deliverables

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

Platform and technology development

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

- We continued our effort to further improve perfusion media and fed-batch media. We established a new generation of the perfusion media, and both basal and feed medium for fed-batch processes, and these are ready for commercialization.

- We acquired lyophilization technology and optimized lyo cycle development to support both internal and external CDMO client programs.

CDMO business

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

- We have extended our services to clients in need of drug product in lyophilization dosage form for ADC and bispecific antibody modalities.

- We are also engaging with potential partners with interest in licensing our technology platform or engaging us to develop and optimize cell culture medium for their proprietary cell lines.

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

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

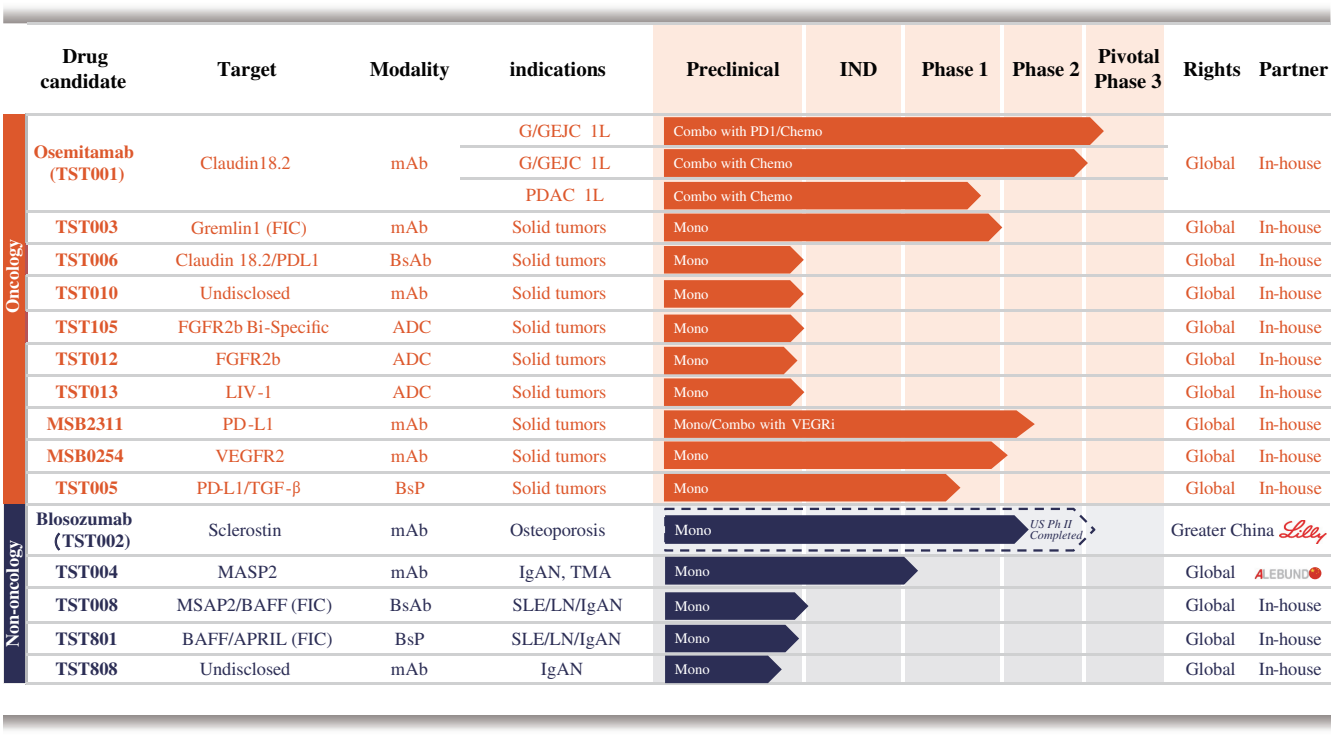
We have implemented a multi-regional development strategy with an aim to forge a global commercial pathway for our products. In the case of our lead biological osemitamab (TST001), we have obtained respective approvals from U.S. FDA, China CDE and South Korea MFDS for initiating a global Phase III trial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

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

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

Our Product Pipeline

We have established a diversified and differentiated pipeline of 15 molecules in oncology, bone disorders and nephrology. All but one of our antibody candidates were generated in-house by our antibody discovery platform covering validated, partially validated, and novel biological pathways. One pipeline candidate (blosozumab (TST002)) was acquired through in-licensing. The following chart summarizes the drug candidates that are currently under development globally across various therapeutic areas as of the date of this announcement:



Source: Company

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

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

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

BUSINESS REVIEW

We are proud to have developed TST001, TST002, TST004, TST801 and TST808, our five best-in-class molecules, and TST003 and TST008, our two first-in-class molecules that address serious unmet medical needs for patients. During the Reporting Period, we have made significant progress with our pipeline assets in both oncology and non-oncology therapeutic areas and achieved multiple clinical and preclinical milestones that are listed as follows:

Oncology Program

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

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

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

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

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

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

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

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

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

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

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

We have made significant progress in 2024 in advancing the clinical development for osemitamab (TST001), which includes:

Recent Product Developments and Milestones

- In April 2024, we presented the safety and PK data of the TranStar101 study at the 2024 AACR annual meeting. The safety and pharmacokinetic profile of osemitamab (TST001) in the U.S. patients, is consistent with the profile reported in Chinese patients from the TranStar102 study.

- In June 2024, we presented the initial efficacy and safety data of Cohort-G in the TranStar102 study for osemitamab (TST001) plus checkpoint inhibitor and CAPOX (triplet) as the first-line treatment of patients with locally advanced or metastatic G/GEJ cancer at ASCO annual meeting. Patients were enrolled regardless of their level of CLDN18.2 expression or PD-L1 CPS value. In the G/GEJ cancer patients with high/medium (H/M) Claudin18.2 expressing and PDL1 status known tumors, the efficacy endpoint, median progression-free survival (PFS), of the triplet was encouraging with median PFS of 12.6 months. This further supported our strategy of developing this triplet combination for the first-line treatment of CLDN18.2 positive G/GEJ cancer in a global Phase III trial.

- In August 2024, we were successfully granted the issuance of China patent for Claudin18.2 by the National Intellectual Property Administration of China, and were granted the issuance of Russia patent for Claudin18.2 in November 2024 by the Federal Service for Intellectual Property of the Russian Federation.

- In September 2024, we presented the updated data from cohort-G for osemitamab (TST001) plus Nivolumab and CAPOX (triplet) as the first-line treatment for patients with advanced G/GEJ cancer (TranStar102) at ESMO annual meeting. The results showed that the median PFS continued to improve with longer follow-up and reached 14.2 months for patients with tumors of H/M CLDN18.2 expression and known PDL1 status, with the confirmed objective response rate being 68% in this patient population. The 12-month survival rate for the overall population (82 patients, including all CLDN18.2 expression levels) in such cohort was 73.8%.

CDx Progress for Osemitamab (TST001)

Recent Product Developments and Milestones

- Since the Company extended the collaboration with Agilent, a world leader in CDx development, the development of Claudin18.2 companion diagnostics (CDx) has been moved forward as planned to support the TranStar301 global Phase III pivotal trial of osemitamab (TST001) in combination with checkpoint inhibitor and chemotherapy as the first-line treatment in patients with Claudin18.2 expressing locally advanced or metastatic G/GEJ adenocarcinoma A poster was presented jointly by Transcenta and Agilent at AACR in April 2024 to highlight the technical performance parameters of the IHC assay. Such tool will help us identify patients with high likelihood to benefit from osemitamab (TST001) thus potentially increase the probability of success of the Phase III trial as well as enable the gathering of all necessary information in support of future premarket approval activities, at appropriate times.

MSB0254 (A Humanized VEGFR2 mAb Candidate for Solid Tumors)

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

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

TST003 is a first-in-class and high affinity humanized monoclonal antibody targeting GREMLIN-1, a regulatory protein that is highly expressed by stromal cells and tumor cells in diverse human carcinomas, especially in colon cancer, prostate cancer, gastric cancer, lung cancer, esophageal cancer, pancreatic ductal adenocarcinoma, and breast cancer. It is currently tested in a global FIH trial.

Recent Product Developments and Milestones

- TST003-1001 study, the FIH trial, is ongoing at multiple clinical centers in the U.S. and China. Dose escalation as monotherapy has been completed. TST003 has demonstrated good safety and tolerability, and dose proportional PK profiles were observed.

- A Trial in Progress (TiP) poster of TST003-1001 study was presented at the 2024 AACR annual meeting.

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

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

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

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

Recent Product Developments and Milestones

- In 2024, we have demonstrated potent anti-tumor activity from *in vivo* pharmacology studies for the ADC lead molecule selection and additional preclinical studies are ongoing.

TST013 (An ADC Candidate Targeting a Validated Tumor Antigen)

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

Recent Product Developments and Milestones

- In 2024, we have initiated the IND-enabling studies.

- In December 2024, we presented a late-breaking poster for the preclinical data of TST013 at the San Antonio Breast Cancer Symposia (SABCS) 2024, titled "Novel Humanized LIV-1 Antibody Based ADCs Site-Specifically Conjugated with Topoisomerase I Inhibitor Payloads Displayed Significantly Higher Anti-tumor Activities than MMAE Based ADCs in TNBC Tumor Models". The lead LIV-1 ADCs (ADC-1 and ADC-2) were engineered using the Company's proprietary antibody with site-specific conjugation of Topoisomerase I (Topo I) inhibitor payloads. These ADCs demonstrated significantly higher tumor regression activities than MMAE based ADCs in TNBC tumor models. The significantly enhanced anti-tumor activities of ADC-1 and ADC-2 are likely due to the high binding affinity and high internalization efficiency of our proprietary antibody to LIV-1 and the high cytotoxicity of Topo I inhibitor for cancer cells. These data warrant further investigation of the lead LIV-1 targeting ADCs (ADC-1 and ADC-2) as potential next-generation therapeutic agents in LIV-1 expressing breast cancer and other solid tumors.

Non-oncology Program

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

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

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

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

Recent Product Developments and Milestones

- Blosozumab (TST002) SAD study result was presented at the 2024 WCO-IOF-ESCEO Congress in April. The study result has also been presented in 2024 Chinese Society for Osteoporosis and Bone and Mineral Research Congress (CSOBMR). After a single dose of blosozumab (TST002) up to 1,200 mg, the average increase of lumbar spine BMD at day 85 (D85) ranged from 3.52% to 6.20% and total hip BMD from 1.30% to 2.24% across dose cohorts. The lumbar spine BMD increase exceeded the least significant difference level (2.77%) and was clinically meaningful.

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

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

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

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

TST801 (A Bifunctional Antibody Fusion Protein for Autoimmune Diseases)

TST801 is a first-in-class bifunctional antibody fusion protein of anti-BAFF antibody and TACI receptor. BAFF and APRIL, two ligands for TACI receptor, are involved in regulating B cell activation and differentiation. Both are validated targets for several autoimmune diseases including SLE, LN and IgAN. Therefore, TST801 has the potential of delivering better efficacy for the treatment of those diseases and potentially other B-cell related autoimmune diseases. We have selected the lead molecule and initiated IND-enabling studies. The *in vivo* study of such molecule in the human BAFF overexpressing transgenic mice demonstrated promising activity in reducing memory B cells, and dsDNA, IgA, IgM and IgG as well as reducing proteinuria and kidney damage scores. As at the date of this announcement, it is at preclinical stage.

Recent Product Developments and Milestones

- In 2024, we have initiated IND-enabling studies.

TST808 (A Humanized Antibody Neutralizing One of the Validated Key Targets Regulating B/plasma Cell Proliferation and Survival)

TST808 is a humanized antibody neutralizing one of the validated key targets regulating B/plasma cell proliferation and survival. TST808 has improved properties in blocking B cell proliferation and signalling. It has extended half-life as well. TST808 has the potential to treat multiple autoimmune renal disorders including IgAN. As at the date of this announcement, it is at preclinical stage.

Recent Product Developments and Milestones

- In 2024, we have obtained the lead molecules and initiated IND-enabling studies.

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

Research and Early Development Efforts

We made progress in two early-stage programs with the intention to develop as ADCC enhanced antibody or ADC. We have also made progress in another early-stage program of a first-in-class bifunctional fusion protein for the treatment of SLE to the IND-enabling study stage. We are expanding two new non-oncology targets to B cell and/or complement pathways for autoimmune diseases in our early discovery pipeline.

Strategic Partnership to Advance Pipeline

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

Details of our existing partnerships are shown below.

Osemitamab (TST001)

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

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

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

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

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

Blosozumab (TST002)

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

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

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

TST004

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

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

TST003

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

TST801

We are in discussion with multiple MNCs and others with focus in inflammatory and immunology.

We have engaged with multiple parties for partnership discussions.

TST808 & TST008

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

We have received a milestone payment from a R&D collaboration partner, enhancing financial sustainability.

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

Translational Research Collaborations

We also entered multiple research collaborations with prominent academic institutions around the world, including the Dana-Farber Cancer Institute of Harvard Medical School, John Hopkins University, Beijing Cancer Hospital, Shanghai Pulmonary Hospital, Zhongshan Hospital, Zhongshan University, and Shanghai Jiao Tong University. The research collaborations covered osemitamab (TST001), TST003 and TST005. We also established strategic collaborations with multiple technology platform companies to explore different modalities for innovative targets, including multiple ADC platforms. These research collaborations further enhanced our global leading position in Claudin18.2 targeted combination therapies and strengthened our oncology programs.

Technology Partnership & Advancement

- We have received a term sheet regarding the out-licensing of our advanced HiCB platform technologies. We are in active discussions with additional global partners interested in licensing our proprietary technology platforms.

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

- We have strengthened our technology partnerships, forming a strategic alliance with a company specialized in siRNA drug substance synthesis, to provide CDMO services in siRNA formulation development and F&F.

CMC & CDMO Updates

CMC Deliverables

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

- We have also developed high concentration formulation for subQ administration.

Platform and Technology Development Advancement

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

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

- We continued our effort to further improve perfusion media and fed-batch media. We established a new generation of the perfusion media, and both basal and feed medium for fed-batch processes, and these are ready for commercialization.

- We acquired lyophilization technology and optimized lyo cycle development to support both internal and external CDMO client programs.

CDMO Business

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

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

- We have expanded our services for clients who need drug product in lyophilization dosage form for ADC and bispecific antibody modalities.

- To draw in more CDMO business, we have launched a fully revamped website, designed to highlight our expertise and capabilities through engaging and insightful case studies.

- We are also in touch with potential partners with interest in licensing our technology platform or engaging us to develop and optimize cell culture medium for their proprietary cell lines.

CDMO Out-licensing

On March 25, 2025, the Company, together with its wholly-owned subsidiary, HJB (Hangzhou) Co., Ltd* (杭州奕安濟世生物藥業有限公司) ("**HJB Hangzhou**") (collectively, the "**Licensor**") entered into a non-binding term sheet (the "**Term Sheet**") with an independent third-party licensee, not connected to the Company and its subsidiaries or associates (as defined under the Listing Rules) (the "**Licensee**"), which set out the preliminary terms agreed between the Licensor and the Licensee. Pursuant to the Term Sheet, the parties intend to negotiate and enter into a formal definitive license agreement (the "**Definitive License Agreement**"), pursuant to which the Licensor shall grant the Licensee a non-exclusive, irrevocable, sub-licensable, and transferable license to use, manufacture, research, develop, and commercialize the licensed products within the designated territory utilizing the Licensor's intellectual property rights ("**CDMO out-licensing**"), in consideration for the payment of a license fee plus royalty, payable upon execution of the Definitive License Agreement, and thereafter at milestones therein specified.

The Directors are of the view that the Definitive License Agreement, once executed, will enhance the Company's financial liquidity position by bringing in near term cash inflow for the Group. By actively exploring such CDMO out-licensing opportunities, the Group is a step closer towards transforming its existing CDMO into a more scalable and replicable business model, thereby creating additional revenue streams for the Group.

EVENTS AFTER THE REPORTING PERIOD

Resignation of the Chief Financial Officer and the Appointment of the Acting Chief Financial Officer

The Board announces that, Mr. Xiaolu Weng ("**Mr. Weng**") has tendered his resignation as Chief Financial Officer of the Company, with effect from February 28, 2025, to devote more time to his other personal commitments, whilst having agreed to serve as advisor for three months. The Board named Mr. Weiwei Liang ("**Mr. Liang**") as the acting Chief Financial Officer upon the resignation of Mr. Weng. Mr. Liang was also promoted from his former role of Vice President of the Company's Business Development & Corporate Strategy Department to Senior Vice President, both appointments being effective from March 1, 2025.

The Company would like to take this opportunity to express its appreciation to Mr. Xiaolu Weng for his valuable contribution to the Company during his tenure of office as the Chief Financial Officer.

The biographical details of Mr. Liang are set out below:

Mr. Weiwei Liang, aged 49, had been Vice President of Business Development & Corporate Strategy Department of the Company since August 2024 before his promotion to Senior Vice President and taking on the role of Acting Chief Financial Officer from March 1, 2025. Mr. Liang brings to his twin positions over 20 years of extensive global experience in business development, finance and commercial Strategy, having stepped up progressively into senior roles at Bristol Myers Squibb ("**BMS**"), Novartis, and Bayer.

Prior to joining the Company, Mr. Liang served as senior director of Business Development at BMS's global headquarters, where he led transformative collaborations and venture investments, whilst having played a key role in advancing artificial intelligence and machine learning innovations to accelerate drug discovery, development, and commercialization across all therapeutic areas. Prior to his tenure at BMS, Mr. Liang held key positions in business development, commercial strategy, and finance at Novartis and Bayer, with his expertise spanning the full business development lifecycle including deal sourcing, due diligence, negotiation, execution, and post-deal integration across a broad range of assets, including molecules, technologies, medical devices, and digital therapeutics. His finance background encompasses business planning and analysis, R&D and commercial finance, supply chain and manufacturing finance, corporate strategy and portfolio management, M&A finance, and controlling, where he served as controller within a strategic business unit.

Mr. Liang holds an MBA from Carnegie Mellon University's Tepper School of Business in the United States in 2006 after obtaining his bachelor's degree in Electronics Engineering from Beijing University of Technology (北京工業大學) in 1999.

The Entering into of Term Sheet in Relation to Potential License and Technology Transfer under the Group's CDMO business

On March 25, 2025, the Company and HJB Hangzhou, together as Licensor, entered into a Term Sheet with an independent third-party Licensee, which sets out the preliminary terms for a potential Definitive Licensing Agreement, with license fee plus royalty (payable upon execution and thereafter at milestones) for the license and technology transfer of certain proprietary technologies and intellectual property owned by the Licensor. For details, please refer to the paragraphs headed "CDMO Out-licensing" in the Management Discussion and Analysis of this announcement.

Recent progress of our Oncology program

TST001

- The issuance of of Hong Kong patent for Claudin18.2 were granted to us in March 2025 by the Intellectual Property Department of Hong Kong.

TST105

- An abstract has been submitted to and accepted by AACR and a poster will be presented in 2025 AACR.

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

FUTURE OUTLOOK

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

Clinical Developments

Osemitamab (TST001)

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

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

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

TST003

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

TST013

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

TST801

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

Potential Partnerships

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

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

- We expect to secure a technology licensing deal for our HiCB technology platform.

CMC and Technology Developments

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

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

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

CDMO

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

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

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

Outlook Beyond 2025

We plan to continue the expansion and advancement of our pipeline. We will also keep exploring partnerships to enhance the global development and maximize the commercial value of our pipeline assets, as well as keep generating profits from our CDMO business with our leading technology, high quality and lower cost. We will keep enhancing the benefits for patients and generating added value in our product portfolio with a global vision instilled from the very beginning. We believe we will unlock the full potential of our portfolio and create long-term value for our Shareholders, customers and patients.

FINANCIAL REVIEW

Year Ended December 31, 2024 Compared to Year Ended December 31, 2023

	Year ended December 31,	
	2024	2023
	RMB'000	*RMB'000*
Revenue	**11,261**	53,849
Cost of sales	**(7,258)**	(39,451)
Gross profit	**4,003**	14,398
Other income	**23,499**	37,312
Other gains and losses, net	**(20,238)**	2,363
Research and development expenses	**(192,055)**	(382,047)
Administrative and selling expenses	**(70,513)**	(117,397)
Impairment losses under expected credit loss model	**(11,831)**	(1,475)
Impairment losses on contract costs	**(10,155)**	–
Share of results of a joint venture	**31**	43
Finance costs	**(13,283)**	(16,017)
Loss before tax	**(290,542)**	(462,820)
Income tax credit	**250**	250
Loss for the year	**(290,292)**	(462,570)
Other comprehensive expense for the year		
Item that may be reclassified subsequently to profit or loss:		
Exchange differences arising on translation of a foreign operation	**(4,030)**	(3,100)
Total comprehensive expenses for the year	**(294,322)**	(465,670)
Non-IFRS measure[*(Note 1)*]**:**		
Add: Adjusted for share-based compensation expenses	**23,931**	28,328
Adjusted loss and total comprehensive expenses for the year	**(270,391)**	(437,342)

[1] See section below headed "FINANCIAL INFORMATION – Non-IFRS Measure" for the details of the non-IFRS measure adjustments.

Selected Data from Statement of Financial Position
AS AT DECEMBER 31, 2024

	At December 31,	
	2024	2023
	RMB'000	*RMB'000*
	(Audited)	(Audited)
Non-current assets	**920,783**	1,009,256
Current assets	**279,494**	684,043
Total assets	**1,200,277**	1,693,299
Current liabilities	**342,507**	554,292
Non-current liabilities	**106,134**	111,374
Total liabilities	**448,641**	665,666
Net current assets (liabilities)	**(63,013)**	129,751

1. Revenue

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

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

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

Disaggregated revenue information:

	Year ended December 31,	
	2024	2023
	RMB'000	*RMB'000*
CDMO services	**9,024**	53,849
Research and development services	**2,237**	–
	11,261	53,849

Transaction price allocated to the remaining performance obligation for contracts with customers

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December 2024 and the expected timing of recognizing revenue are as follows:

	CDMO services *RMB'000*	**Research and development services** *RMB'000*
Within one year	4,457	0
More than one year	853	0
	5,310	0

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December 2023 and the expected timing of recognizing revenue are as follows:

	CDMO services *RMB'000*	**Research and development services** *RMB'000*
Within one year	19,123	–
More than one year	2,652	–
	21,775	–

2. Other Income

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

For the year ended December 31, 2024, other income of our Group decrease by RMB13.8 million from RMB37.3 million for the year ended December 31, 2023 to RMB23.5 million. The decrease was primarily due to the decrease in interest income and government grants we recognized during the year ended December 31, 2024.

3. Other Gains and Losses, Net

Our other net gains and losses changed from gains of RMB2.4 million for the year ended December 31, 2023 to losses of RMB20.2 million for the Reporting Period. The changes were primarily due to the loss on disposal of property, plant and equipment.

4. Research and Development Expenses

Research and development expenses primarily consist of pre-clinical expenses including testing fee and pre-clinical trial expenses, staff cost for our research and development personnel, clinical expenses including testing fee and clinical trial expenses, materials consumed for research and development of our drug candidates, depreciation and amortization expenses and others. The research and development expenses decreased by 50% from RMB382.0 million for the year ended December 31, 2023 to RMB192.1 million for the year ended December 31, 2024, primarily due to our key pipeline advancement and resource reprioritization.

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

	Year ended December 31,	
	2024	2023
	RMB'000	*RMB'000*
Clinical expenses	**42,487**	187,247
Staff cost	**94,196**	121,520
Materials consumed	**1,028**	14,487
Depreciation and amortization expenses	**41,707**	35,283
Others	**12,637**	23,510
Total	**192,055**	382,047

5. Administrative and Selling Expenses

Our administrative expenses decreased by 39.9% from RMB117.4 million for the year ended December 31, 2023 to RMB70.5 million for the year ended December 31, 2024, primarily due to the decrease in personnel cost and professional services.

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

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

	Year ended December 31,	
	2024	2023
	RMB'000	*RMB'000*
Salaries and related benefits costs	**32,996**	59,832
Professional fees	**15,209**	25,166
Depreciation and amortization expenses	**6,874**	7,697
Office expenses	**9,758**	16,036
Traveling and transportation expenses	**1,738**	3,977
Others	**3,938**	4,689
	70,513	117,397

6. Trade and other receivables

	At December 31,	
	2024	2023
	RMB'000	*RMB'000*
Trade receivables	**31,376**	38,856
Less: Allowance for credit losses	**(13,031)**	(1,200)
Trade receivables, net of allowance for credit losses	**18,345**	37,656
Interest receivables	**3,949**	2,268
Prepayments for:		
Research and development services	**4,570**	8,028
Legal and professional services	**1,830**	2,182
Purchase of raw materials	**1,128**	1,074
	7,528	11,284
Other receivables		
Refundable rental deposits	**1,419**	1,419
Others	**595**	460
Less: Allowance for credit losses	**(275)**	(275)
Others receivables, net of allowance for credit losses	**1,739**	1,604
	31,561	52,812
Analyzed as:		
Non-current	**454**	496
Current	**31,107**	52,316
	31,561	52,812

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

7. Trade and other payables

	At December 31,	
	2024	2023
	RMB'000	*RMB'000*
Trade payables	**83,143**	91,841
Accrued research and development expenses	**11,558**	48,628
Other payables:		
Purchase of property, plant and equipment	**10,698**	11,905
Legal and professional fee	**2,149**	1,095
Others	**691**	2,736
Interest payables	**187**	339
Other tax payables	**1,418**	2,127
Accrued staff costs and benefits	**4,085**	5,373
	113,929	164,044

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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	NOTES	Year ended 31 December 2024 RMB'000	2023 RMB'000
Revenue	3	**11,261**	53,849
Cost of sales		**(7,258)**	(39,451)
Gross profit		**4,003**	14,398
Other income		**23,499**	37,312
Other gains and losses, net	4	**(20,238)**	2,363
Research and development expenses		**(192,055)**	(382,047)
Administrative and selling expenses		**(70,513)**	(117,397)
Impairment losses under expected credit loss model		**(11,831)**	(1,475)
Impairment losses on contract costs		**(10,155)**	–
Share of results of a joint venture		**31**	43
Finance costs		**(13,283)**	(16,017)
Loss before tax		**(290,542)**	(462,820)
Income tax credit	5	**250**	250
Loss for the year		**(290,292)**	(462,570)
Other comprehensive expense for the year			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of a foreign operation		**(4,030)**	(3,100)
Total comprehensive expense for the year		**(294,322)**	(465,670)
Loss for the year attributable to:			
– Owners of the Company		**(290,292)**	(462,570)
Total comprehensive expense for the year attributable to:			
– Owners of the Company		**(294,322)**	(465,670)
Loss per share			
– Basic and diluted (RMB)	6	**(0.72)**	(1.14)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	NOTES	At 31 December 2024 RMB'000	2023 RMB'000
Non-current assets			
Property, plant and equipment		**321,101**	388,623
Intangible assets		**95,752**	95,860
Right-of-use assets		**23,206**	44,912
Goodwill		**471,901**	471,901
Interests in a joint venture		**1,293**	1,262
Deposits paid for acquisition of property, plant and equipment		**1,938**	5,922
Value-added-tax ("VAT") recoverable		**4,858**	–
Other receivables	*7*	**454**	496
Pledged bank deposits		**280**	280
		920,783	1,009,256
Current assets			
Inventories		**16,620**	17,907
Trade and other receivables	*7*	**31,107**	52,316
Contract costs		**2,132**	11,555
VAT recoverable		**2,512**	6,239
Pledged/restricted bank deposits		**57,700**	50,000
Bank balances and cash		**169,423**	546,026
		279,494	684,043
Current liabilities			
Trade and other payables	*8*	**113,929**	164,044
Contract liabilities		**547**	587
Short-term borrowings		**217,090**	376,920
Lease liabilities		**2,541**	4,741
Deferred income		**8,400**	8,000
		342,507	554,292
Net current (liabilities) assets		**(63,013)**	129,751
Total assets less current liabilities		**857,770**	1,139,007

	NOTES	At 31 December 2024 RMB'000	2023 RMB'000
Non-current liabilities			
Long-term borrowings		**16,050**	10,500
Lease liabilities		**14,926**	17,466
Deferred income		**50,300**	58,300
Deferred tax liabilities		**24,858**	25,108
		106,134	111,374
Net assets		**751,636**	1,027,633
Capital and reserves			
Share capital		**284**	283
Treasury shares		**(2,371)**	(17)
Reserves		**753,723**	1,027,367
Total equity		**751,636**	1,027,633

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Transcenta Holding Limited (the "Company") was incorporated in the British Virgin Islands as an exempted company with limited liability on 20 August 2010, and re-domiciled to the Cayman Islands on 26 March 2021 as an exempted company with limited liability under the laws of Cayman Islands. On 29 September 2021, the Company's shares became listed on the Main Board of The Stock Exchange of Hong Kong Limited. The respective address of the registered office and the principal place of business of the Company are set out in the section headed "Corporate Information" section to the annual report.

The Company is an investment holding company. The Company and its subsidiaries (collectively referred to as the "Group") is an integrated biopharma platform that brings drug candidates from the discovery stage to the commercial stage, spanning discovery, research, development, manufacturing and commercialization.

The functional currency of the Company is Renminbi ("RMB"), which is the same as the presentation currency of the consolidated financial statements.

2. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS

Amendments to IFRS Accounting Standards that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to IFRS Accounting Standards issued by the International Accounting Standards Board ("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 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

The application of the amendments to IFRS Accounting Standards in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

New and amendments to IFRS Accounting Standards in issue but not yet effective

The Group has not early applied the following new and amendments to IFRS Accounting Standards that have been issued but are not yet effective:

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments[3]
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity[3]
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards — Volume 11[3]
Amendments to IAS 21	Lack of Exchangeability[2]
IFRS 18	Presentation and Disclosure in Financial Statements[4]

1. Effective for annual periods beginning on or after a date to be determined.
2. Effective for annual periods beginning on or after 1 January 2025.
3. Effective for annual periods beginning on or after 1 January 2026.
4. Effective for annual periods beginning on or after 1 January 2027.

Except for the new IFRS Accounting Standards mentioned below, the Directors of the Company anticipate that the application of these amendments to IFRS Accounting Standards will have no material impact on the Group's consolidated financial statements in the foreseeable future.

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 *Presentation* and *Disclosure in Financial Statements*, which sets out requirements on presentation and disclosures in financial statements, will replace IAS 1 *Presentation of Financial Statements*. This new IFRS Accounting Standard, while carrying forward many of the requirements in IAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some IAS 1 paragraphs have been moved to IAS 8 and IFRS 7. Minor amendments to IAS 7 *Statement of Cash Flows* and IAS 33 *Earnings per Share* are also made.

IFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements, but have no material impact on the Group's financial position and performance. The Group is in the process of assessing the detailed impact of IFRS 18 on the Group's consolidated financial statements.

3. REVENUE

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

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

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

Disaggregated revenue information:

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
CDMO services	**9,024**	53,849
Research and development services	**2,237**	–
	11,261	53,849

Transaction price allocated to the remaining performance obligation for contracts with customers

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December 2024 and the expected timing of recognizing revenue are as follows:

	CDMO services	**Research and development services**
	RMB'000	*RMB'000*
Within one year	4,457	–
More than one year	853	–
	5,310	–

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December 2023 and the expected timing of recognizing revenue are as follows:

	CDMO services	**Research and development services**
	RMB'000	*RMB'000*
Within one year	19,123	–
More than one year	2,652	–
	21,775	–

Segment Information

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

The CODM reviews the overall results and financial position of the Group as a whole prepared based on the same accounting policies and no further analysis of the single segment is presented.

Geographical information

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

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

Information about major customers

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

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Customer A	**2,809**	9,701
Customer B	**1,983**	N/A
Customer C	**1,887**	–
Customer D	**–**	20,889

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

4. OTHER GAINS AND LOSSES, NET

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Net foreign exchange gain	**3,995**	2,353
Loss on disposal of property, plant and equipment	**(25,202)**	(6)
Gain on disposal of right-of-use assets	**969**	16
	(20,238)	2,363

5. INCOME TAX CREDIT

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Current tax:		
PRC Enterprise Income Tax	**–**	–
Deferred tax	**250**	250
	250	250

The Company was incorporated in the BVI and re-domiciled to the Cayman Islands and is exempted from income tax.

Hong Kong Profits Tax is calculated at 16.5% on the estimated assessable profit for both years.

Under the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both years.

On 1 December 2020 and 8 December 2023, HJB Hangzhou qualified as a High and New Tech Enterprise recognized by the Ministry of Science and Technology and enjoys a preferential tax rate of 15% for a period of three years starting from 2020 and 2023, respectively.

On 6 November 2023, Suzhou Transcenta qualified as a High and New Tech Enterprise recognized by the Ministry of Science and Technology and enjoys a preferential tax rate of 15% for a period of three years starting from 2023.

Transcenta Therapeutics (Shanghai) Co., Ltd.* (創勝生物醫藥(上海)有限公司) and Transcenta Therapeutics (Hangzhou) Co., Ltd.* (創勝生物醫藥(杭州)有限公司) were small and low-profit enterprises, and in accordance with the Announcement on the Preferential Income Tax Policies for Small and Micro Enterprises and Individual Industrial and Commercial Households (Announcement No.6 [2023] of the Ministry of Finance and the State Taxation Administration), from 1 January 2023 to 31 December 2024, the annual taxable income of a small and low-profit enterprise that is not more than RMB1 million shall be included in its taxable income at the reduced rate of 25%, with the applicable enterprise income tax rate of 20%.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

* English names are for identification only.

The tax credit for the years can be reconciled to the loss per the consolidated statement of profit or loss and other comprehensive income as follows:

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Loss before tax	**(290,542)**	(462,820)
Income tax credit calculated at 25%	**(72,635)**	(115,705)
Tax effect of share of results of a joint venture	**(8)**	(11)
Tax effect of expenses that are not deductible for tax purpose	**3,832**	27,914
Tax effect of additional deductible research and development expenses *(note)*	**(33,426)**	(65,110)
Utilization of tax losses previously not recognized	**(77)**	–
Tax effect of tax losses not recognized	**69,389**	107,644
Utilization of deductible temporary differences previously not recognized	**(14,560)**	–
Tax effect of deductible temporary differences not recognized	**9,788**	667
Income tax effect at concessionary rate	**37,447**	44,351
Income tax credit	**(250)**	(250)

At 31 December 2024, the Group has unused tax losses of approximately RMB2,908,149,000 (2023: RMB2,663,460,000). At 31 December 2024, the Group has deductible temporary differences of approximately RMB41,310,000 (2023: RMB60,398,000). Deferred taxation had not been recognized on the unused tax losses and deductible temporary differences due to the unpredictability of future profit streams.

The unused tax losses will be carried forward and expire in years as follows:

	At 31 December	
	2024	2023
	RMB'000	*RMB'000*
2024	**–**	2,867
2025	**7,040**	7,040
2026	**43,731**	43,731
2027	**181,619**	181,619
2028	**361,190**	361,190
2029	**413,935**	410,451
2030	**249,396**	249,396
2031	**495,104**	495,104
2032	**455,196**	455,196
2033	**352,842**	352,842
2034	**227,352**	–
2035 and onwards	**120,744**	74,024
	2,908,149	2,633,460

Note: Pursuant to Caishui [2023] circular No. 7 and Caishui [2018] circular No. 99, the subsidiaries in the PRC enjoy super deduction of 200% (2023: 200%) on qualifying research and development expenditures for the year ended 31 December 2024.

6. LOSS PER SHARE

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

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Loss for the year attributable to the owners of the Company for the purpose of calculating basic and diluted loss per share	**(290,292)**	(462,570)

Number of shares

	Year ended 31 December	
	2024	2023
Weighted average number of ordinary shares for the purpose of calculating basic and diluted loss per share	**404,790,614**	407,032,399

The weighted average number of shares for the year shown above has been arrived after deducting treasury shares.

Diluted loss per share is calculated by adjusting weighted average number of ordinary shares outstanding assuming conversion of all dilutive ordinary shares. The computation of diluted loss per share did not assume the exercise of share options before expiration since their assumed exercise would result in a decrease in loss per share.

7. TRADE AND OTHER RECEIVABLES

	At 31 December	
	2024	2023
	RMB'000	*RMB'000*
Trade receivables	**31,376**	38,856
Less: Allowance for credit losses	**(13,031)**	(1,200)
Trade receivables, net of allowance for credit losses	**18,345**	37,656
Interest receivables	**3,949**	2,268
Prepayments for:		
Research and development services	**4,570**	8,028
Legal and professional services	**1,830**	2,182
Purchase of raw materials	**1,128**	1,074
	7,528	11,284
Other receivables		
Refundable rental deposits	**1,419**	1,419
Others	**595**	460
	2,014	1,879
Less: Allowance for credit losses	**(275)**	(275)
Other receivables, net of allowance for credit losses	**1,739**	1,604
Total	**31,561**	52,812
Analyzed as:		
Non-current	**454**	496
Current	**31,107**	52,316
	31,561	52,812

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

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

	At 31 December	
	2024	2023
	RMB'000	*RMB'000*
Within 30 days	**621**	8,191
31 – 60 days	**223**	314
61 – 90 days	**186**	4
91 – 120 days	**32**	361
121 – 365 days	**212**	11,140
Above 365 days	**17,071**	17,646
	18,345	37,656

Analysis of trade and other receivables of the Group denominated in currencies other than the functional currency of the relevant group entities is set out below:

	At 31 December	
	2024	2023
	RMB'000	*RMB'000*
US$	**765**	1,182

8. TRADE AND OTHER PAYABLES

	At 31 December	
	2024	2023
	RMB'000	*RMB'000*
Trade payables	**83,143**	91,841
Accrued research and development expenses	**11,558**	48,628
Other payables:		
Purchase of property, plant and equipment	**10,698**	11,905
Legal and professional fee	**2,149**	1,095
Others	**691**	2,736
Interest payables	**187**	339
Other tax payables	**1,418**	2,127
Accrued staff costs and benefits	**4,085**	5,373
	113,929	164,044

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

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

	At 31 December	
	2024	2023
	RMB'000	*RMB'000*
0 – 30 days	**9,699**	31,279
31 – 60 days	**988**	6,329
61 – 90 days	**1,106**	13,351
91 – 120 days	**1,273**	4,096
121 – 365 days	**34,267**	25,870
Over 365 days	**35,810**	10,916
	83,143	91,841

Analysis of trade and other payables of the Group denominated in currencies other than the functional currency of relevant group entities is set out below:

	At 31 December	
	2024	2023
	RMB'000	*RMB'000*
US$	**1,803**	7,622
HKD	**208**	311
EUR	**40**	81
GBP	**–**	5
	2,051	8,019

9. DIVIDENDS

No dividend was paid or declared by the Company for ordinary Shareholders of the Company during 2024, nor has any dividend been proposed since the end of the reporting period (2023: nil).

Other Comprehensive Income

Our other comprehensive expense increased from RMB3.1 million for year ended December 31, 2023 to RMB4.0 million for year ended December 31, 2024.

Non-IFRS Measure

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

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

	Year ended December 31,	
	2024	2023
	RMB'000	*RMB'000*
Total comprehensive expenses for the year:	**(294,322)**	(465,670)
Add:		
Share-based compensation expenses	**23,931**	28,328
Fair value (loss)/gain of financial liabilities at FVTPL	**–**	–
Sub-total	**23,931**	28,328
Adjusted loss and total comprehensive expenses for the year	**(270,391)**	(437,342)

Employees and Remuneration Policies

The following table sets forth a breakdown of our employees as at December 31, 2024 by function:

	Number of employees	% of total number of employees
Research and Development	91	49.46%
General and Administrative	44	23.91%
Manufacturing	49	26.63%
Total	**184**	**100.00**

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

Our employee remuneration comprises salaries, bonuses, social security contributions and other welfare payments. In accordance with applicable Chinese laws, we have made contributions to social security insurance funds (including pension plans, medical insurance, work-related injury insurance, unemployment insurance and maternity insurance) and housing funds for our employees.

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

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

Liquidity and Financial Resources

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

As of December 31, 2024, bank balances and cash, pledged bank deposits and time deposits were RMB227.4 million, as compared to RMB596.3 million as of December 31, 2023. The decrease was mainly due to the operating cashflow out.

Gearing Ratio

The gearing ratio of the Group was calculated using interest-bearing borrowings less cash and cash equivalents divided by (deficiency of) total equity and multiplied by 100%. Since the Group maintained a net cash position as at December 31, 2024 and December 31, 2023, the gearing ratio is not applicable.

Other Financial Information

Significant Investments, Material Acquisitions and Disposals

The Group did not make any significant investments (including any investment in an investee company with a value of five percent or more of the Group's total assets as at December 31, 2024) during the Reporting Period. The Group did not have any material acquisitions or disposals of subsidiaries, associated companies or joint ventures during the Reporting Period.

Foreign Exchange Risk

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

Bank Loans and Other Borrowings

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

As at 31 December 2023, borrowings amounting to RMB42,000,000 are secured by pledged bank deposits of RMB50,000,000.

We had an aggregate of RMB166,290,000 overdrafts with fixed interest rates as at December 31, 2024.

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

	Year ended December 31,	
	2024	2023
	RMB'000	*RMB'000*
US$	–	–

Contingent Liabilities

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

Funding and Treasury Policy

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

Going concern issues and mitigation plans and measures taken

The Group incurred a net loss of RMB290,292,000 and a net operating cash outflow of RMB213,828,000 for the year ended 31 December 2024, and as of that date, the Group has net current liabilities of approximately RMB63,013,000, which consists of bank balances and cash of approximately RMB169,423,000, trade and other receivables of approximately RMB31,107,000, short-term borrowings of approximately RMB217,090,000 and trade and other payables of approximately RMB113,929,000. In addition, the Group has capital commitment of approximately RMB6,217,000 as at 31 December 2024.

In view of the foregoing, the independent auditor of the Company, Deloitte Touche Tohmatsu, has issued a disclaimer of opinion ("**Disclaimer of Opinion**") in relation to the consolidated financial statements for the year ended December 31, 2024 (the "**Consolidated Financial Statements**"), details of which are set out in the sections headed "Disclaimer of Opinion" and "Basis for Disclaimer of Opinion" respectively in the Independent Auditor's Report, and extracted below in the paragraphs headed "Extract of Independent Auditor's Report".

In light of the foregoing, the Group has taken certain plans and measures to address the Disclaimer of Opinion, details of which are set out below in the paragraphs headed "Basis for Disclaimer of Opinion".

Directors' views on the Disclaimer of Opinion

The Directors of the Company have given careful consideration to the future liquidity and the financial position of the Group and the Group's available sources of financing in assessing whether the Group will have sufficient financial resources to continue as a going concern.

The Directors of the Company have reviewed the Group's cashflow projection prepared by management, which cover a period of not less than twelve months from December 31, 2024. They are of the opinion that, taking into account the aforementioned plans and measures taken to mitigate the Group's liquidity pressure and improve its financial position, the liquidity needs of the Group will be managed and the financial position of the Group will be improved. As such, the Group will have sufficient financial resources to finance its operations and meet its financial obligations when they fall due within twelve months from the date of approval of the Consolidated Financial Statements. Accordingly, the Directors of the Company have, at the time of approving the Consolidated Financial Statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future.

Save for the matters disclosed herein, the Directors are not aware of any other events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern, and thus it is appropriate for the Consolidated Financial Statements to be prepared on a going concern basis.

Extract of Independent Auditor's Report

The following is the extract of the Independent Auditor's Report from the auditor of the Company, Messrs. Deloitte Touche Tohmatsu:

Disclaimer of Opinion

We do not express an opinion on the consolidated financial statements of the Group. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements. In all other respects, in our opinion the consolidated financial statements have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for Disclaimer of Opinion

Going concern

As set out in Note 3.1 to the consolidated financial statements, the Group incurred a net loss of RMB290,292,000 and a net operating cash outflow of RMB213,828,000 for the year ended 31 December 2024, and as of that date, the Group has net current liabilities of approximately RMB63,013,000, which consists of bank balances and cash of approximately RMB169,423,000, trade and other receivables of approximately RMB31,107,000, short-term borrowings of approximately RMB217,090,000 and trade and other payables of approximately RMB113,929,000. In addition, the Group has capital commitment of approximately RMB6,217,000 as at 31 December 2024. These events and conditions may cast significant doubt on the Group's ability to continue as going concern.

The Group has been undertaking a number of plans and measures to mitigate its liquidity pressure and to improve its financial position, which are set out in Note 3.1 to the consolidated financial statements of the Group. Whether the consolidated financial statements could be prepared on a going concern basis subject to significant uncertainties if the outcome of these plans and measures are unfavourable, including:

(i) exploring non-exclusive, royalty bearing proprietary technology platform out-licensing opportunities;

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

(iii) pursuing the fund raising to support further development of other pipelines;

(iv) engaging in discussion and negotiations with various parties for capital fundings;

(v) prospecting and engaging new contract development and manufacturing services customers for its services;

(vi) exploring global partnership in perfusion and fed batch culture media supply, as well as other co-development and licensing opportunities;

(vii) negotiating with various banks to secure new banking facility, in addition to renewal and extension of existing bank borrowings beyond 31 December 2024;

(viii) negotiating with the suppliers to extend the repayment dates of the overdue payables; and

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

The validity of the going concern assumptions on which the consolidated financial statements of the Group have been prepared depends on the outcome of these plans and measures. The Directors of the Company have taken into account the likelihood of success of the plans and measures being implemented and are of the opinion that sufficient financial resources will be available to finance the Group's operations and to meet the Group's financial obligations as and when they fall due at least twelve months from the date of approval of the consolidated financial statements. Accordingly, the consolidated financial statements have been prepared on a basis that the Group will be able to continue as a going concern.

Given the execution of the plans and measures by the Group are in progress and no written contractual agreements or other documentary supporting evidence from the relevant counter parties are available to the Group as at the date of approval for issuance of the consolidated financial statements of the Group for extending the going concern assessment, we are unable to obtain sufficient appropriate audit evidence we considered necessary to assess the likelihood of success of the plans and measures currently undertaken by the Group. There were no other satisfactory audit procedures that we could adopt to satisfy ourselves that the appropriateness of the Directors' use of the going concern basis of accounting and adequacy of the related disclosures in the consolidated financial statements of the Group.

Should the Group fail to achieve the above-mentioned plans and measures, it might not be able to continue to operate as a going concern, and adjustments might have to be made to write down the carrying values of the Group's assets including goodwill, property, plant and equipment, intangible assets not yet ready for use and right-of-use assets to their recoverable amounts, to reclassify non-current assets as current assets, to reclassify non-current liabilities as current liabilities, or to recognize any further liabilities which might arise, where appropriate. The effects of these adjustments have not been reflected in the consolidated financial statements of the Group.

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

Impairment assessment of goodwill, property, plant and equipment, intangible assets not yet ready for use and right-of-use assets

The carrying amounts of goodwill, property, plant and equipment, intangible assets not yet ready for use and right-of-use assets amounted to RMB471,901,000, RMB321,101,000, RMB95,433,000, and RMB23,206,000 as of 31 December 2024, respectively. The Group performed impairment review on the cash-generating unit (or group of cash-generating units) to which goodwill allocated or the property, plant and equipment, right-of-use assets and intangible assets not yet ready for use belongs, based on value-in-use calculations. Based on the results of the impairment tests, no impairment loss had been recognized in respect of these assets.

The value-in-use calculations are prepared based on a cashflow projection based on the assumption of the Group's going concern. Consequently, we were unable to obtain sufficient appropriate audit evidence we consider necessary to assess the recoverable amounts of goodwill, property, plant and equipment, intangible assets not yet ready for use and right-of-use assets of the Group and to determine whether any adjustments were necessary in respect of the carrying amount of these assets. Any impairment provision for these assets found to be necessary would affect the Group's net assets as at 31 December 2024, the Group's net loss for the year then ended and related note disclosures to the consolidated financial statements.

Audit Committee's view on the Declaimer of Opinion

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

ANNUAL GENERAL MEETING

The annual general meeting is scheduled to be held on Friday, June 6 2025 (the "**AGM**"). A notice convening the AGM will be published and dispatched to the shareholders of the Company (the "**Shareholders**") in the manner required by the Listing Rules in due course.

CLOSURE OF THE REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, June 3 2025 to Friday, June 6 2025, both days inclusive, in order to determine the identity of the Shareholders who are entitled to attend and vote at the AGM, during which period no share transfers will be registered. To be eligible to attend and vote at the AGM, unregistered holders of shares must lodge all properly completed transfer forms accompanied by the relevant share certificates with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Monday, June 2 2025.

CORPORATE GOVERNANCE AND OTHER INFORMATION

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

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

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

Compliance with the Corporate Governance Code

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

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

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

Further information of the corporate governance practice of the Company will be disclosed in the annual report of the Company for the year ended December 31, 2024. The Company will continue to regularly review and monitor its corporate governance practices to ensure compliance with the CG Code, and maintain a high standard of corporate governance practices of the Company.

Compliance with the Model Code for Securities Transactions by Directors

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

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

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

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

During the Reporting Period and up to the date of the announcement, the Company repurchased a total of 4,492,500 ordinary shares (the "**Shares Repurchased**") of the Company on the Stock Exchange an aggregate consideration of approximately HK$6,164,038.95. The repurchase of shares was conducted to enhance the value in the shares of the Company and for the benefits of the Company and the Shareholders as a whole. Particulars of the Shares Repurchased are as follows:

Month of Repurchase	No. of Shares Repurchased	Repurchase price per share or highest repurchase price per share *(HK$)*	Lowest repurchase price per share *(HK$)*	Aggregate Consideration *(HK$)*
April	300,500	1.7850	1.2000	487,599.75
May	985,500	1.8905	1.6300	1,783,994.80
June	856,500	1.7745	1.2900	1,324,275.20
July	796,500	1.5200	0.9900	1,097,254.90
September	682,000	1.2500	0.9700	729,429.50
October	176,500	1.2000	1.0200	193,070.00
November	479,000	1.0100	0.6400	408,535.60
December	216,000	0.7200	0.5900	139,879.20
Total	4,492,500	–	–	6,164,038.95

The Shares Repurchased during the period from April 16, 2024 to June 28, 2024 were subsequently cancelled on August 29, 2024. The Shares Repurchased from July 2, 2024 to December 31, 2024 were subsequently reserved as treasury shares.

Save as disclosed above and in the section headed "Other Financial Information", neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's securities (including any sale of treasury shares (as defined under the Listing Rules)) listed on the Stock Exchange during the Reporting Period and up to the date of this announcement. As at December 31, 2024, the Company held 2,350,000 treasury shares, which will be used for to transfer or use for share grants under share schemes that comply with Chapter 17 of the Listing Rules, resell at market price to raise additional funds when Company think is appropriate, and for other purposes permitted under the Listing Rules, the Articles of Association and the applicable laws of the Cayman Islands, subject to market conditions and our Group's capital management needs.

Material Litigation

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

Future Plans for Material Investment or Capital Assets

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

Use of NET Proceeds

Background

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

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

In view of the accelerated development post-Listing of our lead asset osemitamab (TST001), a potential best-in-class and differentiated antibody targeting Claudin18.2, a validated tumor associated antigen, which has gradually emerged as having the highest potential of commercialization, the Board has, after re-evaluating the Intended Use, resolved to reallocate the respective amounts of approximately HK$166 million and HK$30.0 million of the unutilized Net Proceeds to fund the development of osemitamab (TST001), details of such Change in Use of Net Proceeds and Further Change in Use of Net Proceeds, as well as the reasons therefor are disclosed in the 2022 Annual Results Announcement and the 2024 Interim Results Announcement. Such reallocation and deployment of unutilized Net Profit is considered to be more in line with our current business needs and our aim to develop osemitamab (TST001) as the global cornerstone treatment in Claudin18.2 expressing solid tumors including G/GEJ cancer, PDAC, and lung cancer, as well as enhance our Claudin18.2 franchise through proprietary combinations of osemitamab (TST001) with our other key oncology drug candidates.

Further to the aforementioned strategic realignment of resources, the Board has resolved to further change the Intended Use on March 28, 2025, by reallocating HK$50.8 million from the unutilized Net Proceeds previously applied towards the development of TST005, TST002 and business development to fund the development of osemitamab (TST001) and other projects that currently require support and funding to progress further (the "**Latest Change in Use of Net Proceeds**") based on the reasons disclosed in the section "Reasons for the Latest Change in Use of Net Proceeds" below. The table below sets out the utilization of Net Proceeds as at December 31, 2024, the allocation of the remaining unutilized Net Proceeds following the Latest Change in Use of Net Proceeds and the expected timeline for utilization of the remaining unutilized Net Proceeds:

Use of Net Proceeds	Revised allocation of Net Proceeds as disclosed in the 2022 Annual Results Announcement		Allocation of Unutilized Net Proceeds as at January 1, 2024 before the Further Change in allocation of the remaining unutilized Net Proceeds as disclosed in the 2024 Interim Results Announcement	Allocation of the remaining unutilized Net Proceeds as at June 30, 2024 as disclosed in the 2024 Interim Results Announcement after the Further Change in allocation of the remaining unutilized Net Proceeds as disclosed in the 2024 Interim Results Announcement		Aggregate utilized amount during the Reporting Period	Unutilized Net Proceeds as at December 31, 2024 before the Latest Change in Use of Net Proceeds	Intended allocation of the remaining unutilized Net Proceeds after the Latest Change in Use of Net Proceeds		Expected timeline of full utilization of the unutilized Net Proceeds
	% of Net Proceeds (approximately)	*HK$ million*	*HK$ million*	*% of remaining unutilized Net Proceeds (approximately)*	*HK$ million*	*HK$ million*	*HK$ million*	*% of remaining unutilized Net Proceeds (approximately)*	*HK$ million*	
1. Research and development of our pipeline product candidates, funding of ongoing and planned clinical and pre-clinical trials, preparation for registration filings and other steps or activities related to the commercialization of our four anchor products as follows:	82%	453.8	239.4	87%	99.9	201.9	67.5	88%	71.8	On or before December 31, 2025
(i) fund ongoing and planned clinical trials, preparation for registration filings and potential commercial launch (including sales and marketing) of our key product, osemitamab (TST001)	50%	276.7	152.8	26%	30.0	182.8	–	52%	42.8	On or before December 31, 2025
(ii) fund ongoing and planned clinical trials, preparation for registration filings and potential commercial launch (including sales and marketing) of our key product, TST005	10%	55.3	52.7	39%	44.4	9.4	43.3	12%	10.0	On or before December 31, 2025
(iii) fund ongoing and planned clinical trials, preparation for registration filings and potential commercial launch (including sales and marketing) of our key product, TST002	10%	55.3	25.6	22%	25.5	1.4	24.2	13%	11.0	On or before December 31, 2025

Use of Net Proceeds	Revised allocation of Net Proceeds as disclosed in the 2022 Annual Results Announcement		Allocation of Unutilized Net Proceeds as at January 1, 2024 before the Further Change in allocation of the remaining unutilized Net Proceeds as disclosed in the 2024 Interim Results Announcement	Allocation of the remaining unutilized Net Proceeds as at June 30, 2024 as disclosed in the 2024 Interim Results Announcement after the Further Change in allocation of the remaining unutilized Net Proceeds as disclosed in the 2024 Interim Results Announcement		Aggregate utilized amount during the Reporting Period	Unutilized Net Proceeds as at December 31, 2024 before the Latest Change in Use of Net Proceeds	Intended allocation of the remaining unutilized Net Proceeds after the Latest Change in Use of Net Proceeds		Expected timeline of full utilization of the unutilized Net Proceeds
	% of Net Proceeds (approximately)	*HK$ million*	*HK$ million*	*% of remaining unutilized Net Proceeds (approximately)*	*HK$ million*	*HK$ million*	*HK$ million*	*% of remaining unutilized Net Proceeds (approximately)*	*HK$ million*	
(iv) fund ongoing and planned pre-clinical trials and preparation for registration filings of our key product and other pipeline products, including TST004, MSB0254, TST003, TST006 and TST008	12%	66.5	8.3	–	–	8.3	–	10%	8.0	On or before December 31, 2025
2. Fund the business development for pipeline expansion and technology development, with a focus in oncology assets that have synergy with our current pipeline and promising clinical evidences, and/or technology platforms that can complement our current discovery and development platforms, such as ADC, small molecule targeted therapies, and other advanced new technologies	8%	44.3	44.3	13%	14.3	–	14.3	12%	10.0	On or before December 31, 2025
3. For general working capital purposes and general operation expenses	10%	55.3	–	–	–	–	–	–	–	N/A
Total	**100%**	**553.4**	**283.7**	**100%**	**114.2**	**201.9**	**81.8**	**100%**	**81.8**	

REASONS FOR THE LATEST CHANGE IN USE OF NET PROCEEDS

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

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

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

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

Audit Committee

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

The Audit Committee has reviewed the audited consolidated financial statements of the Group for the year ended December 31, 2024 and has met with the Auditor, and reviewed the consolidated financial statements of the Group for the year ended December 31, 2024 in conjunction with the Auditor. The Audit Committee has also discussed matters with respect to the accounting policies and practices adopted by the Company, internal control and financial reporting matters with senior management members of the Group. The Audit Committee considers that this announcement is in compliance with the relevant accounting standards, rules and regulations and appropriate disclosures have been duly made.

Other Board Committees

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

Scope of work of Deloitte Touche Tohmatsu

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2024 as set out in the announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the consolidated financial statements of the Group for the year as approved by the Board of Directors on 28 March 2025. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by the Auditor on this announcement.

FINAL DIVIDEND

The Board does not recommend the distribution of a final dividend for the year ended December 31, 2024.

PUBLICATION OF THE ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

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

The annual report of the Group for the year ended December 31, 2024 will be published on the aforesaid websites of the Stock Exchange and the Company and will be dispatched to the Company's Shareholders who have already provided instructions indicating their preference to receive hard copies in due course.

APPRECIATION

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

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

Hong Kong, March 30, 2025

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