和鉑醫藥控股有限公司

HBM Holdings Limited

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 02142)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2024

The board (the "**Board**") of directors (the "**Directors**") of HBM Holdings Limited (the "**Company**", and together with its subsidiaries, the "**Group**") is pleased to announce the unaudited consolidated results of the Group for the six months ended 30 June 2024 (the "**Reporting Period**"). These results have been reviewed by the Company's audit committee (the "**Audit Committee**").

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

FINANCIAL HIGHLIGHTS

	For the six months ended 30 June	
	2024	2023
	US$ in thousand	*US$ in thousand*
	(Unaudited)	(Unaudited)
Revenue	**23,701**	40,996
Cost of sales	**(1,185)**	(23)
Other income and gains	**3,488**	3,226
Selling expenses	**(1,709)**	–
Research and development costs	**(13,095)**	(28,378)
Administrative expenses	**(7,917)**	(8,576)
Finance costs	**(1,559)**	(2,347)
Other expenses	**–**	(1,995)
Income tax (expense)/benefits	**(327)**	11
Profit for the period	**1,397**	2,914
Earnings per share (Basic and diluted) (USD)	**0.00**	0.00

	As of 30 June 2024	As of 31 December 2023
	US$ in thousand	*US$ in thousand*
	(Unaudited)	(Unaudited)
Cash and cash equivalents	**183,038**	140,324
Total assets	**219,706**	228,480
Total liabilities	**96,899**	108,851
Total equity	**122,807**	119,629

BUSINESS HIGHLIGHTS

PROGRESS ON HARBOUR THERAPEUTICS

1. BATOCLIMAB (HBM9161)

The Biologics License Application ("**BLA**") for the treatment of gMG was submitted and accepted by the National Medical Products Administration of China (the "**NMPA**") in July 2024.

2. PORUSTOBART (HBM4003)

Combination with PD-1 for Colorectal Carcinoma ("CRC")

Patient enrolment initiated in January 2024.

3. HBM9378

Completed Phase I trial clinical study report in March 2024.

4. HBM9027

a. Obtained the Investigational New Drug ("**IND**") clearance to commence Phase I trial for solid tumors from the US Food and Drug Administration ("**U.S. FDA**") in January 2024.

b. Obtained the IND clearance to commence Phase I trial for solid tumors from the NMPA in July 2024.

BUSINESS DEVELOPMENTS

1. COLLABORATIONS ON ASSETS

a. In December 2023, we entered into a license agreement with Seagen Inc. for the global clinical development and commercialization of HBM9033, a novel mesothelin ("**MSLN**") antibody-drug conjugate ("**ADC**") generated from the Harbour Mice® Platform of the Company. In the first half of 2024, a Phase I trial had been registered by Seagen Inc. to evaluate the safety, tolerability, pharmacokinetics, and antitumor activity in subjects with advanced solid tumors.

b. In May 2024, we entered into a global license and option agreement with AstraZeneca ("**AZN**"), pursuant to which the license for preclinical monoclonal antibodies that will be used to create targeted therapies in oncology was granted to AZN with an upfront payment of US$19 million upon completion of the transaction, US$10 million near-term milestone payments, up to US$575 million in milestone payments and tiered royalties on net sales.

2. PLATFORM-BASED COLLABORATIONS

a. In February 2024, Nona Biosciences entered into an ADC discovery collaboration agreement with Boostimmune, Inc. ("**Boostimmune**"), a biotechnology company dedicated to developing innovative, first-in-class antibody-based therapies to address unmet needs in oncology.

b. In July 2024, Nona Biosciences entered into a collaboration agreement with Alaya. Bio, a biotechnology company developing a novel polymeric delivery platform, to precisely target and reprogram cells *in situ* and thus significantly simplify the way CAR-T cell therapies are being developed, manufactured and administered.

c. The Group is also developing and exploring other currently unannounced platform-based collaborations.

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

MANAGEMENT DISCUSSION AND ANALYSIS

Overview

Our vision

Our vision is to deliver "Healthy life • Breakthrough Medicines" in immune oncology and immunological diseases to address current patients' unmet medical needs.

Corporate Profile

Incorporated in July 2016, we are a clinical-stage biopharmaceutical company committed to the discovery, development and commercialization of novel antibody therapeutics in immuno-oncology and immunology.

To realize our vision, we have been partnering with global academic institutions, biotechnology and pharmaceutical companies by leveraging our platforms. We have established a strong track record and portfolio comprising strategically selected co-development clinical assets and internal innovative next-generation projects to address unmet medical needs. We also provide technology licensing for our proprietary Harbour antibody platform to accelerate industry innovation of antibody therapeutics.

Since 2022, we have established two sub-brands, Harbour Therapeutics, focusing on pipeline development, products collaboration and commercialization, and Nona Biosciences, a global biotechnology company providing an Idea-to-IND solution for partners worldwide.

About Harbour Therapeutics

Harbour Therapeutics is committed to the development and commercialization of novel antibody therapeutics focusing on oncology and immunology. We have built a robust portfolio and differentiated pipeline by leveraging our unique antibody technology platforms as well as our biological understanding and industry experience. Our portfolio also consists of strategically selected clinical assets with near-term revenue potential targeting diseases with high unmet needs.

About Nona Biosciences

Our proprietary antibody technology platforms, Harbour Mice®, generate fully human monoclonal antibodies in the classical two heavy and two light chain (H2L2) format, as well as heavy chain only (HCAb) format. Building upon our HCAb antibodies, the HCAb-based immune cell engagers (HBICE®) are capable of delivering tumor killing effects unachievable by combination therapies. Integrated with our single B cell cloning platform, our antibody discovery engine is highly productive and efficient in driving the innovation and sustainable growth of the Company.

With a unique leading edge and technological advantage of our technology platform, we established Nona Biosciences in 2022 to better empower the innovators in the industry and enable our collaborators from I to I™ (Idea to IND). Nona Biosciences is a global biotechnology company with an experienced antibody therapeutics discovery team, committed to providing a total solution for partners worldwide, from academies, biotechnology startups to large biopharmaceutical companies. The integrated antibody discovery services range from antigen preparation, animal immunization, single B cell screening, to antibody lead generation and engineering, developability assessment and pharmacological evaluation, leveraging the advantages of Harbour Mice® Platforms.

We believe our versatile business model, based on both Harbour Therapeutics and Nona Biosciences, will maximize our platform value by leveraging the complementary advantages of the Group and our collaborators.

Portfolio:

We have over 10 drug candidates focusing on oncology and immunology diseases in pre-clinical to late clinical stages. The following table summarizes our product pipeline and the development status of each drug candidate in the areas indicated in the chart.

Project	Target	Indication	Commercial Rights	Status	Partner
				Discovery / Pre-Clinical / IND / Phase I / Phase II / Phase III / BLA	
mAb for next-gen IO therapeutics					
Porustobart HBM4003	CTLA-4[1]	Melanoma	Global	Combo with PD-1 Ph 1b/2 > Ph3 Preparing	
		CRC		Combo with PD-1 Ph 1b/2	
		HCC		Combo with PD-1 Ph 1b/2	
		NEN		Combo with PD-1 Ph 1b/2	
HBM1020	B7H7/HHLA2	Solid Tumors	Global		
HBM1022	CCR8	Solid Tumors	Global	US IND clearance	
HBM9014	LIFR	Solid Tumors	Global		Yinuoke
Immune cell Engager for Oncology					
HBM7022	CLDN18.2xCD3	Solid Tumors	Global Out-license		AstraZeneca
HBM7008	B7H4x4-1BB	Solid Tumors	Global		
HBM7020	BCMAxCD3	Hematologic carcinoma	Ex-China	CN IND clearance	HUALAN BIO
HBM9027	PD-L1xCD40	Solid Tumors	Global	US/CN IND clearance	
HBM7004	B7H4xCD3	Solid Tumors	Global		
XDC Platform					
HBM9033	MSLN ADC	Solid Tumors	Global Out-license		Pfizer
ADC Program	Undisclosed	Solid Tumors	Global		
RDC Program	Undisclosed	Solid Tumors	Global		
FcRn-targeted therapies for Autoimmune Disease					
Batoclimab HBM9161	FcRn	Myasthenia Gravis	Great China Rights Out-licensed[2]	BLA	CSPC
Type 2 Pathways for Inflammatory & Immunology					
HBM9378	TSLP	Asthma	Global	Ph1 Completed > Ph2 Preparing	
		COPD	Global	IND Enabling	
BsAb Programs	TSLPx Undisclosed	Inflammation disease	Global		
Pathogenic B Cell Depletion for Autoimmune Diseases					
HBM7020	BCMAxCD3	Autoimmune Diseases	Ex-China	IND Enabling	HUALAN BIO
TCE Program	CD19xCD3	Autoimmune Diseases	Global		
BsAb Program	Undisclosed	Autoimmune Diseases	Global		
TsAb Program	Undisclosed	Autoimmune Diseases	Global		

1. HBM4003 is a next-gen anti-CTLA-4 antibody with enhanced ADCC for Treg depletion
2. HBM in-license the Greater China Rights of HBM9161 from HanAll in 2017, and the rights is out-license to CSPC in Oct 2022

BUSINESS REVIEW

Robust Portfolio and Differentiated Pipeline

Harbour Therapeutics has a robust and diversified pipeline and we continued to expand our business collaborations with leading academic institutions and selected industry partners focusing on innovation and efficiency across the world. The co-development and collaboration with industry partners not only reflects the industry recognition, but also helps the Company to leverage resources and enhance efficiency.

Batoclimab (HBM9161)

Batoclimab is designed as a fully human monoclonal antibody that selectively binds to and inhibits the neonatal fragment crystallizable receptor ("**FcRn**"). FcRn plays a pivotal role in preventing the degradation of Immunoglobulin G ("**IgG**") antibodies. High levels of pathogenic IgG antibodies drive many autoimmune diseases. As a novel, fully human anti-FcRn monoclonal antibody, Batoclimab has the potential to be a breakthrough treatment option for a wide range of autoimmune disease. On 10 October 2022, we entered into a license agreement with CSPC NBP Pharmaceutical Co. Ltd. ("**NBP Pharma**", a wholly-owned subsidiary of CSPC Pharmaceutical Group Limited), pursuant to which we granted NBP Pharma an exclusive sublicensable license to develop, manufacture and commercialize batoclimab in Greater China (including Hong Kong, Macau and Taiwan).

In early 2023, we completed the treatment of patients and announced the positive topline results of the phase III clinical trial of batoclimab for the treatment of gMG in March, which is also the first positive pivotal trial outcome for batoclimab worldwide. This marks a major milestone as it is the Company's first product to complete phase III clinical trial and be poised for commercialization to benefit the gMG patients. We also initiated Open-Label extension clinical trial for gMG in March 2023.

In June 2023, NMPA has accepted the BLA of batoclimab (HBM9161) for the treatment of gMG. This is also the first BLA accepted by NMPA since Harbour BioMed's establishment.

In December 2023, the Company voluntarily planned to include additional long-term safety data and we re-submitted the BLA for batoclimab to the NMPA in June 2024.

In July 2024, NMPA accepted the BLA of batoclimab (HBM9161) for the treatment of gMG.

According to the analysis on the Open-Label extension clinical trial up to November 2023, the data showed sustainable efficacy and safety of batoclimab in long-term disease management. We presented the clinical results on JAMA Neurology in March 2024. We believe that the collaboration with CSPC Group enables the Company to optimize the market potential and advance the clinical development of HBM9161.

Porustobart (HBM4003)

HBM4003 is a next-generation, fully human anti-CTLA-4 antibody against cytotoxic T-lymphocyte-associated antigen-4 (CTLA-4), one of the major negative regulators of T cell responses. It is also our first internally developed molecule generated on our HCAb platform, which we have advanced from candidate selection to clinical stage within three years. HBM4003 is the first fully human heavy chain only anti-CTLA-4 antibody entered into clinical development around the world in history, and has favourable properties compared with conventional anti-CTLA-4 antibodies in pre-clinical settings. Compared with conventional CTLA-4 antibody, HBM4003 has unique, favourable properties including significant Treg cell depletion and optimized pharmacokinetics for improved safety. While increasing the potential to selectively deplete intratumoral Treg cells via enhanced antibody-dependent cellular cytotoxicity (ADCC) strategy, we believe HBM4003 will be able to break the significant immune-suppressive barrier of anti-cancer immunotherapies in solid tumors. HBM4003 has great potential to overcome the efficacy and toxicity bottleneck of the current CTLA-4 therapy, and become a core product in cancer immunotherapy.

We have implemented the global development plan for multiple types of solid tumors with adaptive treatment designed for HBM4003. Positive data of efficacy and safety profile have been read out in the monotherapy trial targeting advanced solid tumor, and in trials of combination treatment with PD-1 inhibitor treating for melanoma, NEN and HCC.

In January 2024 we initiated patient enrolment for combination with PD-1 inhibitor in trials with advanced colorectal carcinoma.

HBM7008

HBM7008 is a bispecific antibody targeting Tumor Associated Antigen (TAA) B7H4 and 4-1BB that not only displays high potency in the T cell co-stimulation and tumor growth inhibition, but also potentially translate to improved safety due to its strict dependency of TAA-mediated crosslinking T cell activation. HBM7008 is one of the fully human bispecific antibodies developed from the HBICE® Platform of the Company. It is the only bispecific antibody against these two targets in clinical stage globally. Its unique specificity on tumors and immune modulation activity makes it a promising therapeutics in PD-L1 negative or PD1/PD-L1 resistant patients. It also has the potential to avoid 4-1BB liver toxicity risk observed in other products with the benefit of its innovative biology mechanisms and bispecific design.

In February 2023, we entered into a license and collaboration agreement (the "**Cullinan Agreement**") with Cullinan Therapeutics, Inc. (formerly known as Cullinan Oncology, Inc., together with its affiliates, "**Cullinan**"), pursuant to which we granted Cullinan an exclusive sub-licensable license to exploit any product that is comprised of or contains the Company's bispecific antibody targeting B7H4x4-1BB (HBM7008) in the United States of America and its territories and possessions (including the District of Columbia and Puerto Rico).

In August 2024, the Company received a termination notice from Cullinan terminating the Cullinan Agreement (the "**Termination**") which will become effective on 3 November 2024, and the Company shall be under no obligation to return any monies received under the Cullinan Agreement prior to the Termination. The Company will regain the global right of HBM7008 and will continue to explore other development and potential commercialization opportunities.

During the Reporting Period, Cullinan had completed multiple dose levels in patients with advanced solid tumors.

HBM1020

HBM1020 is a first-in-class fully human monoclonal antibody generated from Harbour Mice® Platform targeting B7H7. As a newly discovered member of the B7 family, B7H7 expression is found non-overlapping with PD-L1 expression in multiple tumor types, potentially playing an important role for tumor cells to escape immune surveillance beside PD-L1. HBM1020 is the first product targeting B7H7 in clinical stage globally. With its excellent product design and target features, we believe that HBM1020 has great potential to address huge unmet medical needs in solid tumors treatment, especially in patients with low PD-L1 expression and patients with PD-(L)1 therapy resistant.

In May 2023, we initiated Phase I clinical trial in the U.S. We have completed multiple dose levels thereafter and we plan to present the latest progress of HBM1020 at the ESMO congress 2024.

HBM9378

HBM9378 is a fully human monoclonal antibody against thymic stromal lymphopoietin ("**TSLP**") generated from H2L2 platform. It inhibits the TSLP mediated signalling pathway by blocking the interaction between TSLP and TSLP receptor. TSLP plays important roles in DC cell maturation, T helper 2 (Th2) cell polarization and inflammation, particularly in both eosinophilic and non-eosinophilic inflammation asthma. HBM9378 has fully human sequences with less immunogenicity risk and better bioavailability compared to other TSLP target competitors. The long half-life optimization and outstanding biophysical properties support its favourable dosing and formulation advantages.

In collaboration with Sichuan Kelun-Biotech Biopharmaceutical Co., Ltd. ("**Kelun-Biotech**"), our collaboration of HBM9378 has entered the clinical development stage.

In February 2022, HBM9378 obtained the IND approval from NMPA, and initiated the Phase I trial in China. In October 2023, HBM9378 completed the Phase I clinical trial.

Initiation of Phase II clinical trial for severe asthma is ongoing. We are also preparing the IND application for the second indication chronic obstructive pulmonary disease ("**COPD**").

Other Development Projects

Engaged in the discovery and development of differentiated antibody therapeutics in immuno-oncology and immunology disease areas, we are also exploring and developing multiple programs for novel and challenging antibody therapeutics in multiple disease areas:

– In the oncology field, apart from mAbs such as HBM1022 (CCR8), HBM9014 (an LIFR-targeting mAb), we also generate bispecific antibodies from our HBICE® Platform with novel design and differentiated mechanism such as HBM7020 (BCMAxCD3), HBM9027 (PD-L1xCD40), HBM7004 (B7H4xCD3). In addition, utilizing our XDC platform and leveraging the advantages of the Harbour Mice® Platform, we are exploring more modalities of therapy in oncology, such as HBM9033 (a MSLN targeted ADC) and other ADC/RDC programs in early stages.

– In the inflammatory and immunology field, the Company has built a robust preclinical pipeline, encompassing bispecific and multi-specific antibody programs in targeting Type 2 pathways and for other inflammatory and immunology conditions.

Apart from the main products mentioned above, we are also developing multiple programs and we aim to deliver at least one IND submission generated from our discovery engine each year.

1. HBM1022

HBM1022 is a monoclonal antibody generated from Harbour integrated G protein-coupled receptor (GPCR) antibody platform. The antibody can enhance anti-tumor immunity by depleting CCR8 positive regulatory T cells, activating effector T cells. HBM1022 presented cynomolgus cross-reactive and demonstrated its anti-tumor functional activities in preclinical studies.

CCR8 is a novel G protein-coupled receptor (GPCR) target on tumor-specific Treg cells. The GPCRs is essential in the immunoregulation, especially for immuno-oncology, where numerous chemokines work through GPCRs. It has been an extremely challenging target due to the structure complexity and low immunogenicity. CCR8 is expressed in tumor infiltrated Treg cells, and functionally involved in Treg cells migration and infiltration. Tumor resident CCR8 positive Treg have been shown to be a major driver for immunosuppression.

Generated from the Company's platform, HBM1022 is one of the few functional monoclonal antibodies that are cross-reactive to human and cynomolgus CCR8 with GPCR signalling modulation. With its unique characteristics, HBM1022 is expected to present therapeutic potentials in a variety of solid tumors with enriched CCR8-positive Tregs, including breast cancer, colon cancer, gastric cancer, non-small cell lung cancer and head and neck cancer.

In February 2023, HBM1022 obtained the IND approval from U.S. FDA to initiate Phase I trial in the U.S. In 2024, we will continue to actively explore drug development strategies and seek collaboration opportunities.

2. HBM9014

HBM9014 is a first-in-class, fully human antibody targeting Leukemia Inhibitory Factor Receptor ("**LIFR**") for cancer treatment. It has been discovered using Harbour Mice® Platform. HBM9014 blocks multiple IL6 family cytokine pathways via LIFR to inhibit their function in promoting tumor progression, metastasis and chemo-resistance.

In preclinical studies, HBM9014 shows significant in vivo antitumor efficacy, and enhanced efficacy in combination with Cisplatin in multiple tumor models. HBM9014 also shows great tolerability in monkey toxicology study.

In 2024, we will continue to actively explore drug development strategies and seek collaboration opportunities.

3. HBM9027

HBM9027 is a novel PD-L1xCD40 bispecific antibody. Using our proprietary fully human HBICE® bispecific technology and Harbour Mice® Platform, we discovered a crosslinking dependent PD-L1xCD40 bispecific antibody to provide novel solutions for cancer immunotherapy from both efficacy and safety angles. The development of PD-L1xCD40 bispecific HBICE® further expands our bispecific immune cell engager into the cutting-edge DC/myeloid cell engager field and demonstrates HBICE® Platform's versatile geometry formats and plug-and-play advantages.

In January 2024, we obtained the IND clearance to commence Phase I trial for solid tumors from U.S. FDA, and in July 2024, we obtained the IND clearance to commence Phase I trial in China from NMPA.

4. HBM7020

HBM7020 is a BCMAxCD3 bispecific antibody generated with our proprietary fully human HBICE® bispecific technology and Harbour Mice® Platform. HBM7020 can crosslink targeted cells and T cells by targeting BCMA on cell surface and CD3, and thus lead potent T cell activation and cell elimination. By using dual anti-BCMA binding sites for optimal cell targeting, and monovalent optimized CD3 activity to minimize CRS, HBM7020 demonstrated potent cytotoxicity with boarder applications in both oncology and immunological disease.

In August 2023, HBM7020 obtained the IND clearance to commence Phase I trial for cancer in China from NMPA.

In 2024, we had restructured our development strategy immunological diseases. Currently, we are in the process of preparing an IND application.

5. HBM7004

HBM7004 is a novel B7H4xCD3 bispecific antibody. Using our proprietary fully human HBICE® bispecific technology and Harbour Mice® Platform (H2L2&HCAb), we discovered a B7H4xCD3 bispecific antibody to provide novel solutions for cancer immunotherapy from both efficacy and safety angles. The development of B7H4xCD3 bispecific HBICE® further consolidates our bispecific immune cell engager platform and demonstrates HBICE® platform's versatile geometry formats and plug-and-play advantages.

In preclinical studies, HBM7004 demonstrated an intratumor B7H4 dependent T cell activation manner. In multiple animal models, HBM7004 showed strong anti-tumor efficacy, remarkable in vivo stability and reduced systemic toxicity. Also, in preclinical models, HBM7004 showed strong synergistic effect when combining with B7H4x4-1BB bispecific antibody at low Effector: Target cell ratio, indicating the encouraging therapeutic window.

In 2024, we continued the development in preclinical and advanced to near – IND stage.

Business Development of Nona Biosciences

With our unique leading edge and technological advantage of our technology platform, we established Nona Biosciences in 2022 to better empower the innovators in the industry and enable our collaborators from I to I™ (Idea to IND). Nona Biosciences is a global biotechnology company committed to providing a total solution for partners worldwide, from academies, biotech startups to biopharma giants.

We believe our flexible business models built around our proprietary technologies and our strong internal discovery capabilities can and will maximize our platform value by leveraging complementary advantages from the Company and our collaborators. To give full play to the value of our unique platform technologies, we continued to explore the expandability of platform technology application scenarios which generate impactful values to the Company. We have established partnerships with more than 25 industry pioneers and academic researchers to further expand our network of collaborations in China and globally.

1. Global license and option agreement with AZN

In May 2024, Nona Biosciences entered into a license agreement with AZN for preclinical monoclonal antibodies that will be used to create targeted therapies in oncology. Under the terms of the agreement, Nona Biosciences shall receive US$19 million upon completion of the transaction. Nona Biosciences is eligible to receive an additional US$10 million in potential near-term milestone payments and up to US$575 million upon achieving specified development, regulatory, and commercial milestones, as well as tiered royalty payments on net sales. In addition, Nona Biosciences is eligible to receive payments for the option programs should AZN exercise these options.

2. Collaborations with Boostimmune

In February 2024, Nona Biosciences entered into an ADC discovery collaboration agreement with Boostimmune, a biotech company dedicated to developing next-generation anti-cancer therapies via modulating immune systems. The collaboration aims to leverage Nona Biosciences's proprietary Harbour Mice® H2L2 (two heavy and two light chain) platform to accelerate the development of ADCs against novel targets.

Research, Development and Technology

We focus on innovative next-generation therapies in oncology and immunology. Our discovery and pre-clinical research teams conduct drug discovery, formulation development, process development and pre-clinical studies on new candidates. During the Reporting Period, we achieved progress on the academic research on our clinical development:

- Presented clinical result of HBM9161 for generalized myasthenia gravis on JAMA Neurology in March 2024.

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

- Applied for 329 patents, and 14 patents have been granted invention patent license by the China National Intellectual Property Administration, with 228 patent applications still under review as at 30 June 2024. These patent applications have further strengthened the protection of intellectual property rights of the Company's core products and technology platforms.

Nona Biosciences has established a robust antibody discovery platform, protein engineering platform, conjugation technology platform, HCAb-CAR screening platform and delivery technology platform to use mRNA-encoding target gene as immunogen to tackle difficult targets. Leveraging these technology platforms, the Company may move towards more novel and challenging drug targets globally. During the Reporting Period, the Company presented academic articles or conference posters as follows.

- Developed human monoclonal antibodies and heavy-chain-only antibodies to treat snakebite, which was published on Toxicon: X in February 2024.

- Developed a novel human heavy-chain-only antibody to mitigate neutralization resistance of SARS-CoV-2 variants, which was presented on Nature communications in March 2024.

- Developed our direct CAR-based library screening platform and presented a poster at AACR in April 2024.

- Developed mRNA-encoded T cell engagers for cancer immunotherapy and presented a poster at Immuno-Oncology Summit Europe 2024 in April 2024.

- Developed anti-TFR1 human heavy-chain-only antibodies and Blood-Brain Barrier Shuttle Technology, and presented a poster in PEGS Boston Summit in May 2024.

Cautionary Statement required by Rule 18A.08(3) of the Listing Rules: The Company cannot guarantee that it will be able to develop, or ultimately market, any of the products in its pipeline successfully. Shareholders and potential investors of the Company are advised to exercise due care when dealing in the Shares.

Significant Investments

To give full play to the value of our unique platform technologies, we continued to explore the expandability of platform technology application scenarios which generate impactful values to the Company. With limited investments, we are incubating several joint ventures focusing on next generation innovation varying from multivalent to cell therapies, etc. Their common objective is to increase the application scenarios of our technology platform and create the incremental value for the Company. This "technology for equity" model allows us to integrate incremental resources for the diversification deployment of our next generation innovation which will constantly bring us more new value growth points with minimal marginal investment.

Investment in NK Cell Tech

In June 2021, the Company entered into an agreement with NK Cell Tech, a startup company established in the PRC with globally leading technology and talents in the NK cell field, in respect of the co-development of novel NK cell therapy. The Company, via Harbour BioMed (Shanghai) Technology Development Co., Ltd ("**HBM Shanghai**"), a subsidiary of the Company, as the co-founder, made an investment in NK Cell Tech. Pursuant to the shareholders' agreement entered into by the parties, HBM Shanghai subscribed for redeemable ordinary shares with preferential shares of NK Cell Tech, representing 15.8% of the equity interest in the registered capital of NK Cell Tech, for a consideration of cash and technology sublicense agreement. Upon completion of the subscription, the Company, through its subsidiary, held 15.8% of the total equity interest of NK Cell Tech and has the right to appoint a person as a director of NK Cell Tech. This investment shows the expandability of our platform technology application scenarios which generate impactful values to the Company in the diversified deployment of next generation innovation. It opens a new channel for our platform technology value creation and conversion. In June 2022, NK Cell Tech announced that it has completed its A round financing with a fund raising over RMB100 million. As of 30 June 2024, the Company, through its subsidiary, held 11.75% of the total equity interest of NK Cell Tech.

As of 30 June 2024, the fair value of the investment is US$5.17 million, which represented 2.60% of the Company's total assets. During the Reporting Period, the Group recorded unrealized loss on fair value change of US$0.04 million of its investment in NK Cell Tech.

Save as disclosed above, the Group did not make or hold any significant investments (including any investment in an investee company with a value of 5% or more of the total assets of the Group as at 30 June 2024) during the Reporting Period.

Prospects and Outlook

The Company's achievements and growth momentum in the first half of 2024 gave us confidence that we will be able to successfully address the complex market environment and provide innovative therapeutic drugs to patients with immune diseases and cancer in the near future.

Since its establishment, we have been committed to developing innovative therapies for patients around the world and have become an innovative biopharmaceutical company with core technological advantages and a differentiated portfolio. In 2024, we completed BLA submission of HBM9161, and Harbour Therapeutics will further accelerate the progress of its portfolio. We will advance the multiple clinical trials of HBM4003, HBM9378, HBM1020 and other projects generated from our discovery engine with an approach of designing molecules against novel targets or innovative molecules against known targets. In addition, we expect to further expand our platform to immunology and inflammation, and we will continue to identify new quality candidates through Harbour Mice® and HBICE®, our highly effective drug discovery engine.

The values of the antibody discovery platforms and flexible partnership models of Nona Biosciences have been well validated through the collaboration achieved since 2022. Building on the successful launch of Nona Biosciences, we will continue to enhance the approaches with partners worldwide, from academies, biotechnology startups to biopharmaceutical giants, providing a total solution. The platform's valued-maximized business collaborations will further drive the Company along the path of global development. We have already seen exciting value through these platform-based collaborations with top institutions around the world as our preclinical products become increasingly mature, and more extensive global collaborations are expected in 2024.

Accordingly, we will re-allocate our internal resources to focus on the development of portfolio in which all assets are generated from our platforms, and the exploration on expanding of collaboration networks by Nona Biosciences.

FINANCIAL REVIEW

Overview

The Group recorded a revenue of US$23.7 million and a profit of US$1.4 million for the six months ended 30 June 2024, as compared with a revenue of US$41.0 million and a profit of US$2.9 million for the six months ended 30 June 2023.

Other income and gains were US$3.5 million for the six months ended 30 June 2024, as compared with US$3.2 million for the six months ended 30 June 2023. The research and development costs of the Group were US$13.1 million for the six months ended 30 June 2024, as compared with US$28.4 million for the six months ended 30 June 2023. The administrative expenses were US$7.9 million for the six months ended 30 June 2024, as compared with US$8.6 million for the six months ended 30 June 2023.

Revenue

Our revenue primarily consists of molecule license fee, research service fee and technology license fee, primarily attributable to license out and collaboration agreement with AZN.

During the Reporting Period, research service agreements with a total value of US$4.2 million have been successfully signed. Our research service fee increased by 167.4%, from US$0.9 million for the period ended 30 June 2023 to US$2.3 million for the period ended 30 June 2024.

Cost of Sales

Our cost of sales was US$1.2 million for the six months ended 30 June 2024, as compared with US$0.02 million for the six months ended 30 June 2023, mainly consisted of the labor costs and material costs for the research service. The increase was consistent with the growth of research service fee income.

Other Income and Gains

Other income and gains were US$3.5 million for the six months ended 30 June 2024, and US$3.2 million for the six months ended 30 June 2023, primarily due to the increase in cash which generated more interest income.

Research and Development Costs

Our research and development costs decreased significantly from US$28.4 million for the six months ended 30 June 2023 to US$13.1 million for the six months ended 30 June 2024. This decrease was primarily attributable to (i) optimized investments in our clinical programs and our molecule assets in discovery and pre-clinical stages; and (ii) optimized employee costs from US$8.8 million to US$6.6 million.

	For the six months ended 30 June			
	2024		2023	
	US$ in thousands	***Percentage***	*US$ in thousands*	*Percentage*
Employee costs	**6,578**	**50.2%**	8,849	31.2%
Third-party contracting costs	**3,203**	**24.5%**	14,725	51.9%
Depreciation and amortization	**1,575**	**12.0%**	1,946	6.9%
Upfront and milestone fees	**879**	**6.7%**	233	0.8%
Materials	**16**	**0.1%**	1,563	5.5%
Others	**844**	**6.5%**	1,062	3.7%
	13,095	**100.0%**	28,378	100.0%

Administrative Expenses

Our administrative expenses decreased by US$0.7 million to US$7.9 million for the six months ended 30 June 2024, primarily due to enhanced cost saving management.

	For the six months ended 30 June			
	2024		2023	
	US$ in thousands	***Percentage***	*US$ in thousands*	*Percentage*
Employee costs	**5,422**	**68.5%**	5,529	64.5%
Professional expenses	**1,662**	**21.0%**	1,577	18.4%
Depreciation and amortization	**155**	**2.0%**	508	5.9%
Others	**678**	**8.5%**	962	11.2%
	7,917	**100.0%**	8,576	100.0%

Profit for the Period

As a result of the above factors, the profit for the period of the Group decreased by US$1.5 million from US$2.9 million profit for the six months ended 30 June 2023 to US$1.4 million profit for the six months ended 30 June 2024.

Ageing Analysis of Accounts Receivable

An ageing analysis of our accounts receivable as at the end of each period, based on the invoice date, or the date of the service rendered is as follows:

	30 June 2024 ***US$ in thousands***	31 December 2023 *US$ in thousands*
Within six months	**1,471**	52,323
Less: impairment	**–**	–
	1,471	52,323

A majority of the accounts receivables aged less than six months.

Ageing Analysis of Accounts Payables

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

	30 June 2024 ***US$ in thousands***	31 December 2023 *US$ in thousands*
Within 1 month	**4,878**	14,864
1-3 months	**279**	256
3-6 months	**191**	234
6-12 months	**34**	9
	5,382	15,363

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

Liquidity and Source of Funding

Our primary uses of cash are to fund our clinical trials, research, purchase of equipment and materials and other expenses. During the Reporting Period, we primarily funded our working capital requirements through revenue generated from out-licensing and bank loans. We closely monitor cash and bank balances and strive to maintain a healthy liquidity for our operations.

Key Financial Ratios

The following table sets forth the key financial ratios as of the following dates indicated:

	As of 30 June 2024	As of 31 December 2023
Current ratio[(1)]	**3.45**	3.28
Gearing ratio[(2)]	**N/A[(3)]**	N/A[(3)]

(1) Current ratio is calculated using current assets divided by current liabilities as of same date.

(2) Gearing ratio is calculated by net debt divided by the adjusted capital plus net debt. Net debt includes lease liabilities, trade payables and financial liabilities included in other payables and accruals, less cash and cash equivalents. Adjusted capital includes equity attributable to owners of the parent.

(3) As of 30 June 2024 and 31 December 2023, the Group's cash and cash equivalents exceeded the financial liabilities. As such, no gearing ratio as of 30 June 2024 and 31 December 2023 was presented.

Material Acquisitions and Disposals

The Group did not have any material acquisitions or disposals of subsidiaries consolidated affiliated entities or associated companies during the six months ended 30 June 2024.

Future Plans for Material Investments or Capital Asset

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

Pledge of Assets

As of 30 June 2024, except for the cash in bank amounting to US$0.7 million (as of 31 December 2023: US$0.7 million) that is restricted, the Group had no pledge of assets.

Contingent Liabilities

The Group had no material contingent liabilities as of 30 June 2024 (as of 31 December 2023: Nil).

Foreign Exchange Exposure

During the six months ended 30 June 2024, the Group mainly operated in China in which the majority of the transactions were settled in the Renminbi ("**RMB**"), whereas the funding source of the Company was United States dollar ("**US$**") the functional currency of the Company. Our financial assets and liabilities are subject to foreign currency risk as a result of certain bank deposits, trade and other receivables and trade and other payables denominated in non-functional currency. Therefore, the fluctuations in the exchange rate of functional currency against non-functional currency could affect our results of operations. We have not entered into any hedging transactions to manage the potential fluctuation in foreign currency as of 30 June 2024.

Bank Loans and Borrowings

As of 30 June 2024, we had bank loans of US$65.0 million and lease liabilities of US$1.2 million.

The table below summarizes the maturity profile of the Group's bank loans and lease liabilities as of the dates indicated, based on contractual undiscounted payments:

	Less than 1 year *US$ in thousands*	**Between 1-5 years** *US$ in thousands*	**Total** *US$ in thousands*
As of 30 June 2024			
Lease liabilities	**696**	**534**	**1,230**
Bank borrowing – unsecured*	**45,491**	**21,746**	**67,237**
As of 31 December 2023			
Lease liabilities	874	731	1,605
Bank borrowing – unsecured*	39,103	28,993	68,096

* *The bank borrowings carry interest at rates ranging from 2.7% to 4.65% (2023: 3.45% to 4.65%) per annum.*

Employees and Remuneration

As of 30 June 2024, 158 of our employees were located in the PRC, 23 were located in the United States, and one was located in the Netherlands. The following table sets forth the total number of employees by function as of 30 June 2024:

Function	**Number of Employees**	**% of Total Number of Employees**
Research and Development	113	62.1%
General and Administrative	69	37.9%
Total	182	100.0%

The total remuneration cost incurred by the Group for the six months ended 30 June 2024 was US$13.2 million (including share-based payment expenses amounting to US$0.7 million), as compared to US$14.4 million (including share-based payment expenses and certain one-time compensation expenses amounting to US$2.9 million) for the six months ended 30 June 2023.

The Group has also adopted a pre-IPO equity plan, a post-IPO share option scheme and a post-IPO share award scheme.

INTERIM DIVIDEND

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

CORPORATE GOVERNANCE AND OTHER INFORMATION

The Company was incorporated in the Cayman Islands on 20 July 2016 as an exempted company with limited liability, and the shares of the Company were listed on the Stock Exchange on 10 December 2020 (the "**Listing Date**").

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

1. Compliance with the Code on Corporate Governance Practices

During the Reporting Period, the Company has complied with all applicable code provisions set out in the Corporate Governance Code (the "**CG Code**") under Appendix C1 to the Listing Rules (except for the following deviation).

Pursuant to code provision C.2.1 of the CG Code, companies listed on the Stock Exchange are expected to comply with, but may choose to deviate from the requirement that the responsibilities between the chairman and the chief executive officer should be segregated and should not be performed by the same individual. The Company does not have a separate chairman and chief executive officer and Dr. Jingsong Wang 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 the circumstances of the Group as a whole.

The Company will continue to regularly review and monitor its corporate governance practices to ensure compliance and alignment with the latest measures and standards set out in the CG Code, and maintain a high standard of corporate governance practices of the Company.

2. 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 of securities in the Company and other matters covered by the Model Code.

Specific enquiry has been made of all the Directors and the relevant employees and they have confirmed that they have complied with the Model Code during the six months ended 30 June 2024.

3. Audit Committee

The Board has established the Audit Committee, which comprises two independent non-executive Directors, namely Dr. Xiaoping Ye (Chairman) and Dr. Albert R. Collinson (Dr. Albert R. Collinson was appointed following the resignation of Mr. Ka Chi Yau **("Mr.**

Yau") as an independent non-executive Director on 21 June 2024) and a non-executive Director, Ms. Weiwei Chen.

As Mr. Yau is the independent non-executive Director who has the appropriate professional qualifications or accounting or related financial management expertise (the "**Relevant Qualification**") under Rule 3.10(2) of the Listing Rules, following the resignation of Mr. Yau on 21 June 2024, there would be no independent non-executive Director who possesses the Relevant Qualification as required under Rule 3.10(2) of the Listing Rules; and the Audit Committee would comprise no independent non-executive Director with the Relevant Qualifications as required under Rule 3.21 of the Listing Rules. The Company is in the course of identifying suitable candidate(s) to act as an independent non-executive Director to meet the requirement set out in Rule 3.10(2) and 3.21 of the Listing Rules within three months from 21 June 2024 and will make further announcement as and when appropriate.

The Audit Committee, together with the management of the Company, has reviewed the unaudited interim results of the Group for the six months ended 30 June 2024.

4. Other Board Committees

In addition to the Audit Committee, the Company has also established the Nomination Committee and the Remuneration Committee.

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

Pursuant to the rules of the Pre-IPO Equity Plan, the Post-IPO Share Option Scheme and the Post-IPO Share Award Scheme of the Company, the Company has set up the trust and other entities for the administration of the said equity incentive plans and the treasury of the shares relating to the plans.

Save as disclosed above, during the Reporting Period, neither the Company nor any member of the Group purchased, sold or redeemed any of the Company's shares (including sale of treasury shares (as defined under the Listing Rules)). As of 30 June 2024, the Company did not hold any treasury shares (as defined under the Listing Rules).

6. Events After the Reporting Period

Reference is made to the announcement of the Company dated 14 February 2023 in relation to the Cullinan Agreement. In August 2024, the Company received a termination notice which will become effective on 3 November 2024 from Cullinan terminating the Cullinan Agreement, and Harbour BioMed US Inc. ("**Harbour**") shall be under no obligation to return any monies received under the Cullinan Agreement prior to the Termination. Harbour will regain the global right of HBM7008 and will continue to explore other development and potential commercialization opportunities. For details, please refer to the announcement of the Company dated 8 August 2024.

Save as disclosed above, there was no significant event that might affect the Group after the Reporting Period and up to the date of this announcement.

7. Publication of Interim Results Announcement and Interim Report

This announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.harbourbiomed.com).

The interim report for the six months ended 30 June 2024 containing all the information required by the Listing Rules will be published on the websites of the Stock Exchange and the Company in due course.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2024

	Notes	**2024 (Unaudited) *USD'000***	2023 (Unaudited) *USD'000*
REVENUE	*4*	**23,701**	40,996
Cost of sales		**(1,185)**	(23)
Gross profit		**22,516**	40,973
Other income and gains		**3,488**	3,226
Selling expense		**(1,709)**	–
Administrative expenses		**(7,917)**	(8,576)
Research and development costs		**(13,095)**	(28,378)
Other expenses		**–**	(1,995)
Finance costs		**(1,559)**	(2,347)
PROFIT BEFORE TAX	*5*	**1,724**	2,903
Income tax (expense)/benefits	*6*	**(327)**	11
PROFIT FOR THE PERIOD		**1,397**	2,914
Attributable to:			
Owners of the parent		**1,424**	2,922
Non-controlling interests		**(27)**	(8)
		1,397	2,914
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic (USD)	*8*	**0.00**	0.00
Diluted (USD)	*8*	**0.00**	0.00

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2024

	2024 (Unaudited) *USD'000*	2023 (Unaudited) *USD'000*
PROFIT FOR THE PERIOD	**1,397**	2,914
OTHER COMPREHENSIVE PROFIT		
Other comprehensive profit that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**311**	2,085
OTHER COMPREHENSIVE PROFIT FOR THE PERIOD, NET OF TAX	**311**	2,085
TOTAL COMPREHENSIVE PROFIT FOR THE PERIOD	**1,708**	4,999
Attributable to:		
Owners of the parent	**1,735**	5,007
Non-controlling interests	**(27)**	(8)
	1,708	4,999

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2024

	Notes	**30 June 2024 (Unaudited) *USD'000***	31 December 2023 (Audited) *USD'000*
NON-CURRENT ASSETS			
Property, plant and equipment	*9*	**2,284**	3,324
Right-of-use assets		**1,188**	1,555
Intangible assets		**7,631**	7,678
Other financial assets	*10*	**5,712**	5,747
Total non-current assets		**16,815**	18,304
CURRENT ASSETS			
Inventories		**616**	–
Trade receivables	*11*	**1,471**	52,323
Prepayments, other receivables and other assets		**17,116**	16,876
Restricted bank balances	*12*	**650**	653
Cash and cash equivalents	*12*	**183,038**	140,324
Total current assets		**202,891**	210,176
CURRENT LIABILITIES			
Trade payables	*13*	**5,382**	15,363
Other payables and accruals		**7,818**	10,087
Contract liabilities		**1,310**	1,246
Interest-bearing bank borrowings		**43,530**	36,560
Lease liabilities		**696**	874
Total current liabilities		**58,736**	64,130
NET CURRENT ASSETS		**144,155**	146,046
TOTAL ASSETS LESS CURRENT LIABILITIES		**160,970**	164,350

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

30 June 2024

	Notes	**30 June 2024 (Unaudited) *USD'000***	31 December 2023 (Audited) *USD'000*
NON-CURRENT LIABILITIES			
Contract liabilities		**14,142**	14,079
Interest-bearing bank borrowings		**21,424**	27,847
Lease liabilities		**534**	731
Deferred tax liabilities		**2,063**	2,064
Total non-current liabilities		**38,163**	44,721
Net assets		**122,807**	119,629
EQUITY			
Equity attributable to owners of the parent			
Share capital	*14*	**19**	19
Treasury shares	*14*	**(8,869)**	(9,223)
Reserves		**132,043**	129,192
		123,193	119,988
Non-controlling interests		**(386)**	(359)
Total equity		**122,807**	119,629

1. CORPORATE INFORMATION

The Company is a limited liability company incorporated in the Cayman Islands on 20 July 2016. The registered office address of the Company is P.O. Box 472, 2nd Floor, 103 South Church Street, George Town, Grand Cayman KY1-1106, Cayman Islands.

The Company is an investment holding company. During the period, the Company's subsidiaries were engaged in the business of developing innovative therapeutics in the fields of immuno-oncology and immunology diseases.

2.1 BASIS OF PREPARATION

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

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

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

Amendments to IFRS 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 adoption of the above revised standards has had no significant financial effect on these financial statements.

3. OPERATING SEGMENT INFORMATION

Operating segment information

For management purposes, the Group has only one reportable operating segment, which is the development of innovative therapeutics in the fields of immuno-oncology and immunology diseases. Since this is the only reportable operating segment of the Group, no further operating segment analysis thereof is presented.

Geographical information

(a) Revenue from external customers

	For the six months ended 30 June	
	2024	2023
	(Unaudited)	(Unaudited)
	USD'000	*USD'000*
United States	**21,370**	25,497
Mainland China	**2,302**	15,153
Europe	**23**	131
Others	**6**	215
Total	**23,701**	40,996

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

(b) Non-current assets

	30 June	31 December
	2024	2023
	(Unaudited)	(Audited)
	USD'000	*USD'000*
Europe	**8,078**	8,157
Mainland China	**1,936**	3,276
United States	**1,089**	1,124
Total	**11,103**	12,557

Except for the intangible asset information which is based on the countries of the respective subsidiaries owning the assets, other non-current asset information above is based on the locations of the assets and excludes financial instruments.

Information about major customers

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

	For the six months ended 30 June	
	2024	2023
	(Unaudited)	(Unaudited)
	USD'000	*USD'000*
Customer A	**19,000**	–
Customer B	**133**	7,553
Customer C	**–**	25,000
Customer D	**–**	7,284
Total	**19,133**	39,837

4. REVENUE

An analysis of revenue is as follows:

	For the six months ended 30 June	
	2024	2023
	(Unaudited)	(Unaudited)
	USD'000	*USD'000*
Types of goods or services		
– Molecule licence fee	**20,832**	39,498
– Research service fee	**2,326**	870
– Technology licence fee	**543**	628
Total	**23,701**	40,996

Revenue from contracts with customers

(i) Disaggregated revenue information

	For the six months ended 30 June	
	2024	2023
	(Unaudited)	*(Unaudited)*
	USD'000	*USD'000*
Timing of revenue recognition		
At a point in time		
– Molecule licence fee	**20,832**	39,498
– Research service fee	**436**	61
Over time		
– Research service fee	**1,890**	809
– Technology licence fee	**543**	628
Total	**23,701**	40,996

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of reporting period:

	For the six months ended 30 June	
	2024	2023
	(Unaudited)	(Unaudited)
	USD'000	*USD'000*
Technology licence fee	**201**	588
Total	**201**	588

(ii) Performance obligations

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

Technology licence fee

The performance obligation is satisfied over time throughout the licence period as the customers are granted rights to access know-hows which the Group has exclusive rights to use. Upfront payment is generally due within 10 days after the effective date of contract, whereas other payment is generally due within 30 to 45 days from the date of billing.

4. REVENUE (CONTINUED)

Revenue from contracts with customers (Continued)

(ii) Performance obligations (Continued)

Molecule licence fee

The performance obligation is satisfied at a point in time as the customers obtain rights to use the underlying licences and payment is generally due within 10 business days from the date of billing.

Research service fee

The performance obligation is satisfied at a point in time when research results are delivered to and accepted by the customer. For certain type of the contracts, the performance obligation is satisfied over the service period based on the stage of completion of the contract. The payment is generally due within 30 days from the date of billing.

The amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 30 June are as follows:

	For the six months ended 30 June	
	2024	2023
	(Unaudited)	*(Unaudited)*
	USD'000	*USD'000*
Amounts expected to be recognised as revenue:		
– Within one year	**437**	598
– After one year	**162**	648
Total	**599**	1,246

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

5. PROFIT BEFORE TAX

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

		For the six months ended 30 June	
		2024	2023
		(Unaudited)	(Unaudited)
	Notes	***USD'000***	*USD'000*
Cost of sales (excluding employee benefit expense)		**874**	23
Depreciation of property, plant and equipment	*9*	**1,141**	1,463
Depreciation of right-of-use assets		**573**	690
Amortisation of intangible assets		**56**	301
Employee benefit expense (including directors' remuneration):			
– Wages and salaries		**11,904**	10,928
– Pension scheme contributions*		**645**	589
– Share-based payment expenses		**662**	2,861
Auditors' remuneration		**164**	252
Lease expenses arising from short-term leases		**52**	168
Foreign exchange (gains)/losses, net		**(191)**	1,883

* There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.

6. INCOME TAX EXPENSES

The Group is subject to income tax on an entity basis on profits arising in or derived from the countries/jurisdictions in which members of the Group are domiciled and operate.

Cayman Islands

Pursuant to the rules and regulations of the Cayman Islands, the Group is not subject to any income tax in the Cayman Islands.

British Virgin Islands

Pursuant to the rules and regulations of the British Virgin Islands ("**BVI**"), the Group is not subject to any income tax in the BVI.

Hong Kong

Hong Kong profits tax has been provided for at the rate of 16.5% (2023: 16.5%) on the estimated assessable profits arising in Hong Kong during the period, unless such profits are taxable at the half-rate of 8.25% (2023: 8.25%) that may apply for the first HK$2,000,000 (2023: HK$2,000,000) of the assessable profits.

Mainland China

Pursuant to the Corporate Income Tax Law of the PRC and the respective regulations, the subsidiaries which operate in Mainland China are subject to corporate income tax ("**CIT**") at a rate of 25% (2023: 25%) on the taxable income, except the subsidiary, Harbour BioMed (Shanghai) Co., Ltd., which was certified as a High and New Technology Enterprise in 2020 and was entitled to a preferential CIT rate of 15% (2023: 15%), Harbour BioMed (Suzhou) Co., Ltd., which was certified as a High and New Technology Enterprise in 2021 and was entitled to a preferential CIT rate of 15% (2023: 15%).

Netherlands

The subsidiaries which operate in the Netherlands are subject to profits tax at a rate of 15% (2023: 15%) for the first EUR200,000 (2023: EUR200,000) of taxable income, and the excess amount is subject to corporate income tax at a rate of 25.8% (2023: 25.8%) during the period.

United States

The subsidiaries which operate in the US are subject to federal income tax at a rate of 21% (2023: 21%) and the Massachusetts state income tax at a rate of 8% (2023: 8%) on the taxable income.

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

	For the six months ended 30 June	
	2024	2023
	(Unaudited)	(Unaudited)
	USD'000	*USD'000*
Current income tax	**(331)**	–
Deferred income tax	**4**	11
Total tax expense for the period	**(327)**	11

7. DIVIDENDS

No dividend has been paid or declared by the Company and its subsidiaries during the period (six months ended 30 June 2023: Nil).

8. EARNINGS PER SHARE

The calculation of the basic earnings per share amounts is based on the earnings attributable to the owners of the parent and the weighted average number of ordinary shares in issue excluding the treasury shares during the period.

The calculation of the diluted earnings per share amounts is based on the profit for the period attributable to ordinary equity holders of the parent. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the period, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

The calculations of basic and diluted earnings per share are based on:

	For the six months ended 30 June	
	2024	2023
	(Unaudited)	(Unaudited)
Earnings		
Earnings attributable to owners of the parent *(USD'000)*	**1,424**	2,922
Shares		
Weighted average number of ordinary shares in issue during the period used in the basic earnings per share calculation	**734,771,325**	732,387,673
Effect of dilution – weighted average number of ordinary shares:		
Restricted share units	**4,166,769**	7,463,448
Option/Share Award*	**71,612**	–
Total	**739,009,706**	739,851,121
Basic earnings per share (USD per share)	**0.00**	0.00
Diluted earnings per share (USD per share)	**0.00**	0.00

* Certain batch of the option/share award were not assumed to be exercised because they were antidilutive in the period.

9. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2024, the Group acquired assets with a cost of USD87 thousand (six months ended 30 June 2023: USD718 thousand).

10. OTHER FINANCIAL ASSETS

	30 June 2024		31 December 2023	
	Categories	**Carrying amount *USD'000* (Unaudited)**	Categories	Carrying amount *USD '000* (Audited)
Assets:				
Debt instruments (including hybrid contracts):				
Unlisted equity investments	**FVPL[1]**	**5,712**	FVPL	5,747
Total		**5,712**		5,747

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

The unlisted equity investments represent the Group's equity interests in unlisted PRC companies.

On 10 June 2021, the Group subscribed 590,625 shares of Shanghai NK Cells Technology Limited ("**NK**") and held 15.7895% interests in NK. The consideration of the subscription was RMB32,660,000 (equivalent to USD5.1 million) in the form of cash and RMB3,400,000 (equivalent to USD0.5 million) in the form of technology sublicense agreements.

The investment in NK is redeemable ordinary shares with preferential rights. The Group has the right to require and demand to redeem from the investee all of the shares held by the Group at a guaranteed predetermined fixed amount upon redemption events. The investment is accounted for as a debt instrument and is measured as a financial asset at fair value through profit or loss.

As at 30 June 2024, the interests of the Group held in NK was diluted to 11.75% when NK issued certain series A+ redeemable shares to an investor.

11. TRADE RECEIVABLES

	30 June 2024 (Unaudited) *USD'000*	31 December 2023 (Audited) *USD'000*
Within 6 months	**1,471**	52,323
Less: impairment	**–**	–
Total	**1,471**	52,323

The Group's trading terms with its customers are based on the payment schedule of the contracts with normal credit terms of 10 to 45 days from the day of billing.

The ageing of trade receivables as at the end of the reporting period, based on the date of invoice or the date of the service rendered, is less than three months and the expected credit loss is minimal.

Trade receivables are non-interest-bearing. The carrying amounts of trade receivables approximate to their fair values.

12. CASH AND CASH EQUIVALENTS

	30 June 2024 (Unaudited) *USD'000*	31 December 2023 (Audited) *USD'000*
Cash and bank balances	**183,688**	140,977
Less:		
Restricted bank balances[(a)]	**650**	653
Cash and cash equivalents	**183,038**	140,324
Denominated in:		
USD	**158,973**	103,778
RMB	**22,823**	35,143
Others	**1,242**	1,403
Total	**183,038**	140,324

(a) As at 30 June 2024, cash in bank amounting to USD650,000 (31 December 2023: USD653,000) is restricted.

The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business. The remittance of funds out of Mainland China is subject to exchange restrictions imposed by the PRC government.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Time deposits are made for varying periods of between seven days and twelve months depending on the immediate cash requirements of the Group and earn interest at the respective short-term time deposit rates. The bank balances and time deposits are deposited with creditworthy banks with no recent history of default.

13. TRADE PAYABLES

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

	30 June 2024 (Unaudited) *USD'000*	31 December 2023 (Audited) *USD'000*
Within 1 month	**4,878**	14,864
1-3 months	**279**	256
3-6 months	**191**	234
6-12 months	**34**	9
Total	**5,382**	15,363

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

14. RELATED PARTY TRANSACTIONS

(a) In addition to the transactions detailed elsewhere in these financial statements, the Group had the following transactions with related parties during the period:

	For the six months ended 30 June	
	2024	2023
	(Unaudited)	(Unaudited)
	USD'000	*USD'000*
Key management personnel service fees paid by the Company		
Dr. Robert Irwin Kamen*	**6**	12

* The fee was paid for the services in relation to the scientific advisory board of the Group provided by Dr. Robert Irwin Kamen.

(b) Outstanding balances with related parties

The Group had the following balances with related parties:

	30 June	31 December
	2024	2023
	(Unaudited)	(Audited)
	USD'000	*USD'000*
Amounts due from an associate	**2,806**	2,824
Amounts due to a director	**6**	6

(c) Compensation of key management personnel of the Group

	For the six months ended 30 June	
	2024	2023
	(Unaudited)	(Unaudited)
	USD'000	*USD'000*
Short term employee benefits	**2,955**	2,061
Contributions to the pension scheme	**42**	40
Share-based payment expenses	**415**	848
	3,412	2,949

By order of the Board
HBM Holdings Limited
Dr. Jingsong Wang
Chairman and Executive Director

Hong Kong, 28 August 2024

As at the date of this announcement, the board of directors of the Company comprises Dr. Jingsong Wang and Dr. Yiping Rong as executive Directors; Ms. Weiwei Chen as non-executive Director; Dr. Robert Irwin Kamen, Dr. Xiaoping Ye, and Dr. Albert. R. Collinson as independent non-executive Directors.