药明巨诺
JW Therapeutics

JW (Cayman) Therapeutics Co. Ltd

藥明巨諾(開曼)有限公司*

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 2126

INTERIM REPORT 2024

* For identification purpose only

Contents

Corporate Information

BOARD OF DIRECTORS

Executive Director

Mr. Min Liu (劉敏)[1]

Non-executive Directors

Dr. Yiping James Li *(Chairman)*[2]
Ms. Xing Gao (高星)
Dr. Sungwon Song
Dr. Cheng Liu

Independent Non-executive Directors[3][4]

Mr. Kin Cheong Kelvin Ho (何建昌)
Dr. Debra Yu
Mr. Peng Kuan Chan (陳炳鈞)[8]

AUDIT COMMITTEE

Mr. Kin Cheong Kelvin Ho (何建昌) *(Chairman)*[5]
Ms. Xing Gao (高星)
Mr. Peng Kuan Chan (陳炳鈞)[8]

REMUNERATION COMMITTEE

Dr. Debra Yu *(Chairman)*[6]
Dr. Sungwon Song
Mr. Peng Kuan Chan (陳炳鈞)[8]

NOMINATION COMMITTEE

Mr. Kin Cheong Kelvin Ho (何建昌) *(Chairman)*[5]
Mr. Min Liu (劉敏)[1]
Dr. Debra Yu

BUSINESS DEVELOPMENT AND STRATEGY COMMITTEE

Dr. Debra Yu *(Chairperson)*[6]
Mr. Min Liu (劉敏)[1]
Ms. Xing Gao (高星)[7]

COMPANY SECRETARY

Ms. Ka Man Ng (吳嘉雯)

AUTHORIZED REPRESENTATIVES

Mr. Min Liu (劉敏)[1]
Ms. Ka Man Ng (吳嘉雯)

HONG KONG LEGAL ADVISORS

Fangda Partners
26/F, One Exchange Square
8 Connaught Place
Central
Hong Kong

1. Mr. Min Liu has been appointed as the chief executive officer of the Company, an executive Director, a member of the Nomination Committee and the Business Development and Strategy Committee, and the authorized representative of the Company with effect from July 31, 2024.
2. Dr. Yiping James Li has resigned as the chief executive officer of the Company and has been redesignated as a non-executive Director with effect from July 31, 2024. Dr. Yiping James Li ceased to be the chairman of the Nomination Committee and a member of the Business Development and Strategy Committee, and the authorized representative of the Company with effect from July 31, 2024.
3. Dr. Ann Li Lee has resigned as an independent non-executive Director and the chairman of the Remuneration Committee with effect from July 31, 2024. Dr. Krishnan Viswanadhan has resigned as an independent non-executive Director, the co-chairperson of the Business Development and Strategy Committee and a member of the Nomination Committee with effect from July 31, 2024.
4. Mr. Yiu Leung Andy Cheung has been appointed as a member of the Remuneration Committee and ceased to be a member of the Nomination Committee with effect from July 31, 2024. Mr. Cheung has resigned as an independent non-executive Director, the chairman of the Audit Committee and a member of the Remuneration Committee with effect from August 28, 2024.
5. Mr. Kin Cheong Kelvin Ho has been appointed the chairman of the Nomination Committee and ceased to be a member of the Remuneration Committee with effect from July 31, 2024. Mr. Ho has been redesignated as the chairman of the Audit Committee with effect from August 28, 2024.
6. Dr. Debra Yu has been appointed the chairman of the Remuneration Committee with effect from July 31, 2024. Following Dr. Krishnan Viswanadhan's resignation, Dr. Debra Yu became the sole chairperson of the Business Development and Strategy Committee, with effect from July 31, 2024.
7. Ms. Xing Gao has been appointed as a member of the Business Development and Strategy Committee with effect from July 31, 2024.
8. Mr. Peng Kuan Chan has been appointed as an independent non-executive Director, a member of the Audit Committee and the Remuneration Committee with effect from August 28, 2024.

REGISTERED OFFICE

The offices of Maples Corporate Services Limited
PO Box 309, Ugland House
Grand Cayman, KY1-1104
Cayman Islands

HEADQUARTERS IN THE PRC

5F, Building B
No. 699 Zhong Ke Road
Pudong New District, Shanghai
PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

31/F, Tower Two, Times Square
1 Matheson Street, Causeway Bay
Hong Kong

PRINCIPAL SHARE REGISTRAR

Maples Fund Services (Cayman) Limited
PO Box 1093, Boundary Hall, Cricket Square
Grand Cayman, KY1-1102
Cayman Islands

HONG KONG SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
Shops 1712–1716
17th Floor Hopewell Centre
183 Queen's Road East, Wanchai
Hong Kong

PRINCIPAL BANKER

China Construction Bank
Shanghai Free Trade Zone Branch
No. 17 Jiafeng Road
Shanghai
PRC

AUDITOR

PricewaterhouseCoopers
Certified Public Accountant
Registered Public Interest Entity Auditor
22/F, Prince's Building
Central, Hong Kong

STOCK CODE

2126

COMPANY'S WEBSITE

www.jwtherapeutics.com

Financial Highlights

	Six months ended June 30,	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Revenue	**86,815**	87,740
Cost of sales	**(43,070)**	(42,927)
Gross profit	**43,745**	44,813
General and administrative expenses	**(59,233)**	(78,694)
Research and development expenses	**(151,008)**	(216,531)
Selling expenses	**(76,172)**	(60,168)
Other income	**1,884**	1,836
Other gains/(losses), net	**(6,729)**	(81,176)
Operating loss	**(247,513)**	(389,920)
Finance income	**13,299**	15,088
Finance costs	**(6,053)**	(5,583)
Finance income/(costs) — net	**7,246**	9,505
Loss before income tax	**(240,267)**	(380,415)
Income tax expense	**—**	—
Loss for the period	**(240,267)**	(380,415)
Other comprehensive income/(loss):		
Items that will not be reclassified to profit or loss		
— Exchange differences on translation	**19,548**	134,570
Other comprehensive income/(loss) for the period, net of tax	**19,548**	134,570
Total comprehensive loss for the period	**(220,719)**	(245,845)
Non-IFRS measure:		
Adjusted loss for the period	**(214,712)**	(267,072)

- **Revenue** was RMB86.8 million for the six months ended June 30, 2024, remaining relatively stable as compared to RMB87.7 million for the six months ended June 30, 2023. This revenue was attributed to the ongoing commercialization of our anti-CD19 autologous chimeric antigen receptor T cell ("**CAR-T**") immunotherapy product, Carteyva® (relmacabtagene autoleucel ("**relma-cel**"), R&D code: JWCAR029). Carteyva® has been approved for treating adult patients with relapsed or refractory ("**r/r**") large B-cell lymphoma ("**LBCL**"), r/r follicular lymphoma ("**FL**") and r/r mantle cell lymphoma ("**MCL**").

- **Gross profit** was RMB43.7 million for the six months ended June 30, 2024, remaining relatively stable as compared to RMB44.8 million for the six months ended June 30, 2023. Gross profit margin of sales was 50.4% for the six months ended June 30, 2024, representing a minor decrease from 51.1% for the six months ended June 30, 2023. The change was primarily due to the increase of vector purchasing price compared to last year.

- **Research and development ("R&D") expenses** amounted to RMB151.0 million for the six months ended June 30, 2024, representing a decrease of 30.3% from RMB216.5 million for the six months ended June 30, 2023, primarily attributable to an enhanced operation efficiency and optimized R&D strategy including: (i) a decrease in employee benefit expenses; (ii) a decrease in R&D materials; (iii) a decrease in testing and clinical fees; and (iv) a decrease in office expenses.

- **Selling expenses** amounted to RMB76.2 million for the six months ended June 30, 2024, representing an increase of 26.6% compared to RMB60.2 million for the six months ended June 30, 2023. This increase was primarily due to market exploration activities implemented according to business strategy and optimization of selling expenses to remain competitiveness of the product.

- **General and administrative expenses** amounted to RMB59.2 million for the six months ended June 30, 2024, representing a decrease of 24.7% from RMB78.7 million for the six months ended June 30, 2023, primarily attributable to continuous operational excellence leading to a decrease in employee benefit expenses and third party professional service fees.

- **Other gains and losses** amounted to net other losses of RMB6.7 million for the six months ended June 30, 2024, as compared to net other losses of RMB81.2 million for the six months ended June 30, 2023. The decrease was in part attributable to the stable exchange rate of Renminbi ("**RMB**") against the U.S. dollar ("**USD**") and the HK dollar ("**HKD**") when exchanging the transactional currency (RMB) to the functional currencies (USD and HKD) for our offshore companies within the Group, as compared to the same period in 2023.

- **Loss for the period** was RMB240.3 million for the six months ended June 30, 2024, as compared to RMB380.4 million for the six months ended June 30, 2023. The decrease was primarily attributable to: (i) a decrease in R&D expenses resulting from further improved operation efficiency in the Reporting Period; (ii) a decrease in general and administrative expenses due to improved workforce efficiency; and (iii) a decrease in net other losses. The effects of the factors mentioned above were partially offset by the increased selling expenses to support the commercialization of Carteyva®.

- **Cash and cash equivalents** amounted to RMB869.0 million as at June 30, 2024, representing a net cash outflow of RMB136.9 million for the six months ended June 30, 2024 compared to RMB110.4 million for the six months ended June 30, 2023.

NON-IFRS MEASURE

To supplement the Group's consolidated financial statements, which are presented in accordance with IFRS, we also use adjusted loss[1] for the period as an additional financial measure, which is not required by, or presented in accordance with IFRS. We believe that these adjusted measures provide useful information to Shareholders and potential investors in understanding and evaluating our consolidated results of operations in the same manner as they help our management.

Adjusted loss[1] was RMB214.7 million for the six months ended June 30, 2024, representing a decrease of RMB52.4 million from RMB267.1 million for the six months ended June 30, 2023. The decrease was primarily attributable to: (i) decrease in R&D expenses resulting from further improved operation efficiency in the Reporting Period; (ii) decrease in general and administrative expenses due to improved workforce efficiency; and (iii) decrease in net other losses. The effects of the factors mentioned above were partially offset by the increased selling expenses to support the commercialization of Carteyva®.

	Six months ended June 30,	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Loss for the period	**(240,267)**	(380,415)
Added:		
Share-based compensation expenses	**18,557**	31,954
Net foreign exchange losses	**6,998**	81,389
Adjusted loss for the period (Non-IFRS)	**(214,712)**	(267,072)

1 *Adjusted loss for the period is not a financial measure defined under IFRS. It represents the loss for the period excluding the effect of the following non-cash items: (a) share-based compensation expenses; and (b) net foreign exchange losses. For the calculation and reconciliation of this non-IFRS measure, please refer to "Management Discussion and Analysis — Financial Review — 11. Non-IFRS Measure" in this report.*

For the six months ended June 30, 2024, as an independent, innovative biotechnology company focused on developing, manufacturing and commercializing cell immunotherapy products, we have made significant progress in our business, achieved important milestones, and comprehensively enhanced operation efficiency, such as the stable gross profit margin, well-controlled selling expenses, streamlined organization and reduced net cash outflow. Our lead product, Carteyva®, continued to make remarkable progress in its commercialization. Additionally, our outstanding clinical development and operational capabilities led to the National Medical Products Administration of China ("**NMPA**") approval of our investigational new drug application relating to Carteyva® as a second-line therapy for transplant-ineligible patients with r/r LBCL, and we have commenced patient enrollment in the related clinical trial. The NMPA further approved (i) our supplemental New Drug Application ("**sNDA**") relating to Carteyva® as a treatment for patients with r/r MCL in August 2024; and (ii) our IND application relating to Carteyva® as a treatment for systemic lupus erythematosus ("**SLE**") in April 2023. Carteyva® is the first cell therapy product approved in China for the treatment of patients with r/r MCL. We also commenced an investigator-initiated trial ("**IIT**") of JWATM214 for the treatment of advanced hepatocellular carcinoma ("**HCC**"). Moreover, we have made significant progress in developing innovative products with global commercialization potential.

Since the beginning of 2024, we have achieved the following significant milestones in our business:

Commercialization

- We continued to execute our cost reduction plans in the first half of 2024, which enabled us to further optimize cost of sales per batch and to keep our gross profit margin relatively stable at 50.4% in the first half of 2024.

- As of June 30, 2024, Carteyva® has been listed on 78 commercial insurance products and 96 effective local governmental complementary medical insurance programs.

- We enhanced our commercialization strategy with a streamlined organization to drive sustainable revenue growth.

Research and Development

Hematologic malignancies

- In August 2024, the NMPA approved our sNDA relating to Carteyva® for the treatment of adult patients with r/r MCL after two or more lines of systemic therapy including bruton tyrosine kinase inhibitors ("**BTKi**").

- We reported four years of follow-up results from the Phase II registrational clinical trial of Carteyva® as a third-line treatment for LBCL at the Annual Meeting of the American Society of Clinical Oncology in 2024 ("**ASCO 2024**").

- With respect to our Phase I/II registrational clinical trial of Carteyva® as a treatment for pediatric and young adult patients with r/r acute lymphoblastic leukemia ("**ALL**"), we reported initial trial data at the 2024 Hybrid Congress of the European Hematology Association.

- With respect to the RELIANCE Study relating to Carteyva® as a third-line treatment for adult patients with r/r FL, we currently plan to publish two years of follow-up data by the end of 2024.

- With respect to our Phase III registrational clinical trial comparing Carteyva® to second-line LBCL standard of care therapy, we currently expect to complete patient enrollment in the second half of 2024.

- The previously announced IIT relating to Carteyva® as a first-line treatment for patients with high-risk LBCL is ongoing, and is currently expected to be completed by the end of 2024.

- In the first half of 2024, we announced commencement of an IIT relating to JWCAR201, and we expect that patient enrollment in this trial will continue through 2024.

Autoimmune diseases

- With respect to the ongoing IIT relating to relma-cel as a treatment for SLE, initial trial data were reported at the 2024 European Alliance of Associations for Rheumatology Congress.

- In January 2024, we expanded our collaboration with 2seventy bio, Inc. ("**2seventy bio**") to encompass co-development and commercialization of a CAR-T cell product for autoimmune diseases.

Solid tumors

- With respect to the ongoing IIT relating to JWATM214 as a treatment for patients with advanced HCC, the dose-finding phase was completed in the first half of 2024. We currently expect this IIT to be completed by the end of 2024.

- In March 2024, patient enrollment in an IIT relating to our product candidate directed to melanoma-associated antigen A4 ("**MAGE-A4**") as a treatment for various solid tumors commenced.

Discovery and Early Research

Our early research and development efforts focus on innovative pipeline products, leveraging our established infrastructure and expertise. The Company aims to expand internationally without regional restrictions. The new pipeline targets hematological cancers, solid tumors and autoimmune diseases, with "Armor" elements designed in-house to enhance the CAR therapies' efficacy and durability. We are developing two dual targeting autologous CAR T-cell therapy for broader effectiveness and enhanced performance for treatment of autoimmune diseases and B-cell malignancies. Another two new CAR products for solid tumor indications are engineered for global commercialization. In addition, we are exploring innovative approaches to simplify the manufacturing process through non-viral methods and off-the-shelf CAR products. This strategic approach aims to deliver potent therapies to patients efficiently while managing costs.

Manufacturing

We continued to maintain the manufacturing success rate of 98% for Carteyva®, close to the level that we obtained in our LBCL registrational clinical trial.

We continued to implement our cost reduction plans in the first half of 2024, which include procurement of important raw materials from domestic suppliers. As of June 30, 2024, we continued sourcing multiple materials from domestic suppliers, and going forward we plan to source additional raw materials from domestic suppliers.

BUSINESS REVIEW

Overview

The Company is an independent, innovative biotechnology company focused on developing, manufacturing and commercializing cell immunotherapy products. Since our founding in 2016, we have built an integrated platform for product development in cell immunotherapy, as well as a product pipeline covering hematologic malignancies, solid tumors and autoimmune diseases. We are committed to bringing breakthrough and quality cell immunotherapy products and the hope of a cure to patients in China and beyond, and to leading the healthy and standardized development of China's cell immunotherapy industry.

We are an early entrant into the field of cell-based immunotherapy in China. Cell-based immunotherapies, including CAR-T treatments, are an innovative treatment method that uses human immune cells to fight cancer, representing a paradigm shift and the latest innovation in cancer treatment. Our lead product, Carteyva®, is an autologous anti-CD19 CAR-T cell immunotherapy product independently developed by us based on a CAR-T cell process platform of Juno Therapeutics, Inc. ("**Juno**") (a Bristol Myers Squibb company). Carteyva® has been approved by the NMPA for two indications, including the treatment of adult patients with r/r LBCL after two or more lines of systemic therapy, and the treatment of adult patients with r/r FL in which a relapse occurs within 24 months of second-line or higher systemic treatment. Carteyva® is the first CAR-T product approved as a Category 1 biologics product in China, and currently it is the only CAR-T product in China that has been simultaneously included in the National Significant New Drug Development Program and granted priority review and breakthrough therapy designations.

Sales of CAR-T products in China remained relatively stable in the first half of 2024, as compared to same period in 2023. Given the unmet medical needs that can be effectively addressed by CAR-T therapies, the market for CAR-T therapies in China is expected to experience strong growth through 2030, according to Frost & Sullivan. We believe that we are well-positioned to take advantage of this growing market, based on the best-in-class potential of our anti-CD19 CAR-T product profile; our robust and differentiated cell therapy pipeline covering hematological cancers, solid tumors and autoimmune diseases; our fully integrated cell therapy development platform; our leading commercial manufacturing infrastructure and supply chain; and our seasoned management and strong support from the shareholders of the Company (the "**Shareholders**"). In the first half of 2024, we made significant progress on the development of Carteyva® for the treatment of hematological malignancies, expanded our portfolio of products for the treatment of solid tumors, and advanced relma-cel as a potential treatment for SLE, an autoimmune disease widely prevalent in China.

Commercialization

Sales of Carteyva® remained relatively stable versus the first half of 2023 under the competition pressure from other non-Hodgkin's lymphoma ("**NHL**") CAR-T player and BiAb launch.

We have built a focused and dedicated commercial team to commercialize Carteyva® across China. We have a fully established commercial team with strong commercialization capabilities, including Sales, Marketing, Market Access Innovative Payment and CAR-T Consultant. To meet market development and customer needs, the structure of our commercial team has been further optimized in respect of streamlined administration and improved operation efficiency. These teams are led by experienced commercial team leaders.

In order to build a patient centric treatment model, we conducted training for each hospital to help physicians and nurses to gain a comprehensive understanding about Carteyva® and the entire process from prescription to infusion. Furthermore, we conducted a systematic evaluation of hospitals to ensure the administration of CAR-T products meet our standards.

To improve affordability, we have leveraged the development of China's multi-layer medical insurance system by listing Carteyva® in more local governmental complementary medical insurance programs and commercial insurance products. As of June 30, 2024, Carteyva® has been effectively listed on more than 78 commercial insurance products and 96 local governmental complementary medical insurance programs. To further alleviate financial pressure on patients, we continued to cooperate with industry-leading innovative payment platforms which can provide installment payment services or mortgage loans to patients receiving Carteyva®. We will continue to expand commercial insurance coverage and explore more innovative payment solutions with the goal of improving affordability for patients who are eligible to be treated with Carteyva®.

We have made further progress on implementation of the manufacturing cost reduction strategies that we established in 2020, which consist of the following elements: (i) near-term (1–2 years)-realize significant cost reduction by implementing technologies and procedures that optimize the use of raw materials; (ii) mid-term (2–3 years)-realize further cost reduction by replacing imported materials with domestic supplies; and (iii) long-term (3–5 years)-implement new technologies for process improvement and key materials utilization and thereby further reduce raw material and labor costs, and potentially shorten production cycle time. We successfully completed our near-term cost reduction plans in 2022, and we commenced our mid-term cost reduction plans in 2022, which enabled us to procure important raw materials from domestic suppliers. As of June 30, 2024, we have commenced sourcing key materials from domestic suppliers, and going forward we plan to source additional raw materials from domestic suppliers. We continue optimizing our manufacturing operations to improve efficiency and exploring new technologies for process improvement or new process platforms.

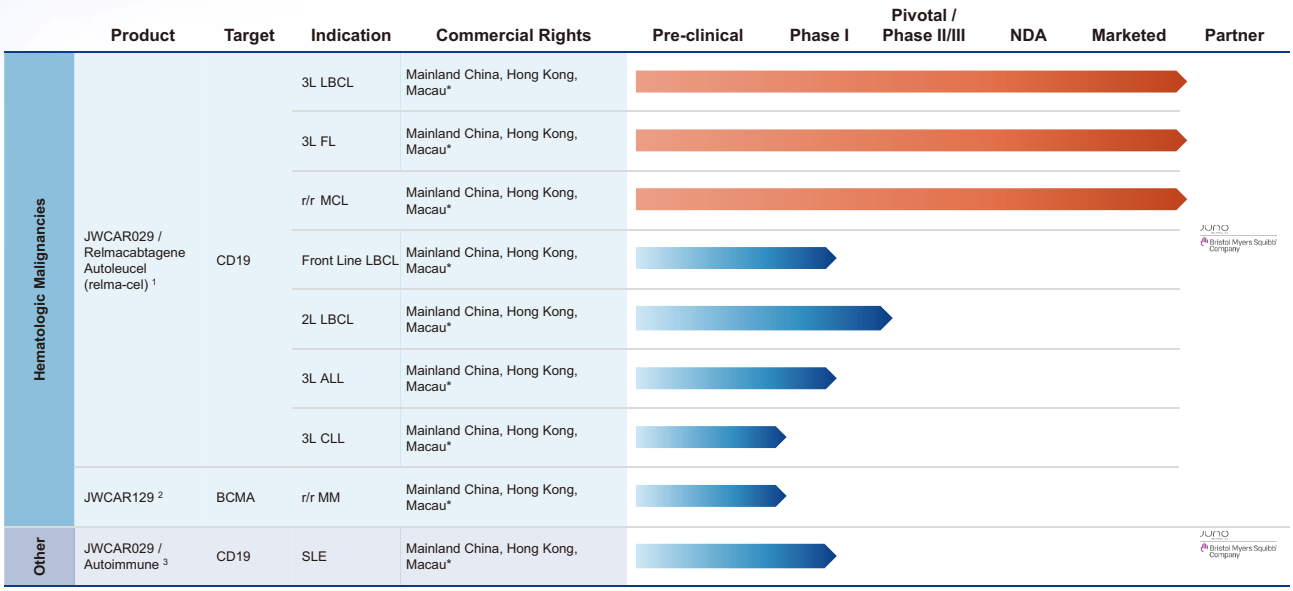
We continue to collaborate with stakeholders in the medical industry to establish best practices and industry standards for CAR-T therapies and enhance the administration and monitoring processes of CAR-T therapies to improve patient outcomes. Given the proven efficacy of Carteyva®, high unmet medical needs of r/r NHL patients and expanded coverage under the multi-layer medical care system in China, together with our clear strategy and strong commercialization ability, we are confident that Carteyva® is well positioned to benefit more patients in the medium and longer term.

Our Product Pipeline

We have developed a robust and differentiated cell-based immunotherapy pipeline, with a risk-balanced approach that has shown clear benefit in the field of cell therapies for hematological cancers and provides an opportunity to expand into the nascent field of cell therapies for solid tumors and autoimmune diseases. Our product pipeline features a mix of product candidates targeting both proven and novel tumor antigens. In the first half of 2024, we made significant progress on the development of Carteyva® for the treatment of hematological malignancies, expanded our portfolio of products for the treatment of solid tumors, and advanced relma-cel as a potential treatment for SLE, a widely prevalent autoimmune disease. With respect to hematological malignancies, the NMPA approved our sNDA relating to Carteyva® for the treatment of adult patient with r/r MCL after two or more lines of systemic therapy including BTKi in August 2024. In addition, in November 2023 we commenced patient enrollment in our clinical trial of Carteyva® as a second-line treatment for 2L LBCL, the study is actively enrolling patients in the first half of 2024 and we expect to complete patient enrollment by the end of 2024. With respect to solid tumors, the dose-finding phase of the IIT relating to JWATM204 as a treatment for HCC was completed and primary safety and efficacy data were obtained, the IIT relating to JWATM214 as a treatment for HCC was commenced in February 2023, and enrollment for the dose-finding phase of the IIT relating to JWATM214 as a treatment for HCC was completed by the first half of 2024. In addition, we also commenced pre-clinical development of cell therapy products directed to MAGE-A4 and Delta-like canonical Notch ligand 3 ("**DLL3**"), and in March 2024 we commenced patient enrollment in the IIT study relating to MAGE-A4. Moreover, in March 2023, we initiated the clinical study of relma-cel as a treatment for patients with moderately or severely active SLE. We also received NMPA approval of an IND application relating to relma-cel as a treatment for SLE in April 2023, expanding our potential range into the treatment of autoimmune diseases, and we expect to continue enrolling patients for the IND study. Further, we have expanded our strategic partnership with 2seventy bio to encompass co-development and commercialization of a CAR-T cell product for autoimmune diseases in Greater China. We believe that the Company may be able to secure a first-mover or early-mover advantage in a highly promising market through development of these therapies.

We are also developing our other product in the pipeline and progressing into the clinical stage. JWCAR201 is a dual targeting autologous CAR T-cell therapy designed for B-cell malignancies and autoimmune diseases. In the first half of 2024, we announced the commencement of an IIT relating to JWCAR201, and we expect to continue enrolling patients through 2024.

The following chart summarizes the current development status of our products and product candidates that are intended for treatment of hematologic malignancies and autoimmune diseases:



Abbreviations: LBCL = large B-cell lymphoma; FL = follicular lymphoma; MCL = mantle cell lymphoma; ALL = acute lymphoblastic leukemia; CLL = chronic lymphocytic leukemia; MM = multiple myeloma; NHL = non-Hodgkin lymphoma; SLE = systemic lupus erythematosus.

* Mainland China, Hong Kong and Macau refer to Mainland China, Hong Kong (China) and Macau (China), respectively.

1. Relma-cel is based on the same chimeric antigen receptor ("**CAR**") construct as the product lisocabtagene maraleucel (Breyanzi or lisocabtagene or liso-cel) of Juno, which was approved by the U.S. Food and Drug Administration ("**FDA**") in February 2021.

2. JWCAR129 is based on the same CAR construct as Juno's product orvacabtagene autoleucel (orva-cel).

3. SLE is a chronic autoimmune disease characterized by the production of autoantibodies and abnormal B-lymphocyte function.

Hematologic Malignancies

Our Core Product Candidate — Carteyva® (relma-cel, R&D code: JWCAR029)

Carteyva®, our lead product, has the potential to be a CAR-T therapy with superior efficacy and safety profile. It targets an antigen called CD19, which is expressed in a broad range of hematological cancers. Lymphomas are hematological cancers involving lymphocytes of the immune system, and LBCL, FL and MCL are types of NHL that affect B-cells within the immune system. In addition to marketing Carteyva® as a third-line treatment for LBCL r/r FL and r/r MCL, we are also exploring the further clinical potential for Carteyva® by developing relma-cel as a third-line treatment for other types of NHL, including ALL and chronic lymphocytic leukemia ("**CLL**"), moreover as a frontline and second-line treatment for LBCL.

Carteyva® is based on a CAR construct that we have in-licensed from Juno for Mainland China, Hong Kong and Macau[2]. Juno's biologics license application for its product based on that same CAR construct ("**Breyanzi**" or "**lisocabtagene**" or "**liso-cel**") was approved by the U.S. FDA for third-line LBCL in February 2021 and for second-line LBCL that is r/r within 12 months of frontline therapy in June 2022.

Third-line LBCL

On September 1, 2021, the NMPA approved our NDA for Carteyva® as a treatment for adult patients with r/r LBCL after two or more lines of systemic therapy. Carteyva® is the first CAR-T product approved as a Category 1 biologics product in China, and the sixth approved CAR-T product globally.

Carteyva®'s potential to be a best-in-class CAR-T therapy is based on its superior safety profile and competitive efficacy. Our Phase II registrational clinical trial of Carteyva® as a third-line treatment for LBCL demonstrated efficacy results of best overall response rate ("**ORR**") of 77.6% and best complete response rate ("**CRR**") of 53.5%. In the same trial, severe cytokine release syndrome ("**sCRS**") was observed in 5.1% of treated patients, severe neurotoxicity ("**sNT**") was observed in 3.4% of treated patients, and no treatment-related deaths were reported. In addition, the overall survival ("**OS**") rate was 69.3% after two years and 66.7% at four years, and there were no new safety signals. We reported two years of follow-up results at the Annual Meeting of the American Society of Hematology held in San Diego, California in December 2023. We also reported four years of follow-up results at the Annual Meeting of ASCO 2024.

Second-line LBCL

We have completed a single-arm Phase I trial in China to evaluate Carteyva® as a treatment for high risk LBCL patients who are refractory to primary treatment. This was an open-label, single-arm, multi-centre, Phase I study, aiming to evaluate the safety and efficacy of relma-cel in patients with primary refractory disease after first-line standard of care. A total of 12 patients received relma-cel infusion and completed 9 months follow-up. Data showed relma-cel was tolerable, no grade 3 or higher cytokine release syndrome ("**CRS**") or neurotoxicity ("**NT**") was observed. The most common treatment-emergent adverse event at grade 3 or higher was cytopenia. The best ORR and best CRR were 75.0% and 33.3%, respectively, and 3-month ORR and CRR were 41.7% and 33.3%, respectively. Median duration of response and OS were not yet reached. We reported these findings at the Annual Meeting of the American Society of Clinical Oncology held in Chicago, Illinois in June 2022.

2 *Mainland China, Hong Kong and Macau refer to Mainland China, Hong Kong (China) and Macau (China), respectively.*

In December 2021, on the basis of data generated from this trial, we submitted to the NMPA an IND application for a multi-center, randomized Phase III registrational clinical trial comparing Carteyva® to second-line LBCL standard of care therapy, including salvage chemotherapy +/- high dose chemotherapy followed by autologous stem cell transplant. The design is similar to the TRANSFORM study evaluating Breyanzi, a CAR-T using the same CAR construct as Carteyva® in this indication, which demonstrated highly statistically significant improvement in Event Free Survival for Breyanzi and led to the U.S. FDA approval of Breyanzi as a second-line treatment for LBCL. In March 2022, the NMPA approved our IND application relating to this trial. Further, we submitted a new IND application for Carteyva® as second-line therapy for transplant-ineligible patients with r/r LBCL in January 2023. The design is similar to the PILOT study evaluating Breyanzi, on the basis of which the U.S. FDA has approved Breyanzi for second-line treatment of transplant-ineligible patients. The NMPA approved our IND application relating to this trial in March 2023. We enrolled the first patient in this trial in November 2023, and we currently expect to complete patient enrollment in the second half of 2024.

Frontline LBCL

In March 2023, we announced the commencement of an IIT relating to Carteyva® as a first-line treatment for patients with high risk LBCL, and the first patient infusion was completed. Recent reports have suggested that anti-CD19 CAR-T therapy may be beneficial to individuals who have not fully responded to early frontline therapy. As a result and given Carteyva®'s low frequency of severe toxicity to date, we expect to continue enrolling frontline patients with LBCL for our Phase I IIT. In the planned study, these patients who receive two cycles of conventional frontline therapy with R-CHOP[3] and do not achieve a complete response will then be enrolled and receive a single infusion of Carteyva® at a dose of 100 million cells.

These trial data, if favorable, may then be used to design and conduct an expanded Phase I trial of LBCL patients without prior chemotherapy or a larger registrational trial in frontline LBCL similar to the approach described for the initial IIT in the frontline setting. The trial is on-going and expected to complete by end of 2024.

Third-line FL

With respect to Carteyva® as a third-line treatment for adult patients with r/r FL, the NMPA granted Breakthrough Therapy Designation in September 2020, accepted our sNDA in February 2022 and approved our sNDA in October 2022. Carteyva® has thus become the first CAR-T product approved for treatment of r/r FL in China.

The NMPA's approval of our sNDA relating to Carteyva® as a third-line treatment for adult patients with r/r FL was based on the 6-months clinical results from cohort B of a single-arm, multi-center pivotal study (the "**RELIANCE**" study) on Carteyva® in adult patients with r/r B cell non-Hodgkin lymphoma in China. The 3-months data had been presented at the 63rd Annual Meeting of the American Society of Hematology in December 2021. The cohort B results of the RELIANCE study showed that Carteyva® demonstrated high rates of durable disease response (ORR=100.0%, CRR=85.2% at month 3; ORR=92.6%, CRR=77.8% at month 6) and controllable CAR-T associated toxicities in patients with r/r FL.

3 R-CHOP is a cancer drug combination to treat NHL. It includes rituximab, cyclophosphamide, anthracycline, vincristine and corticosteroid.

In December 2022, we reported cohort B clinical response of this pivotal Phase II RELIANCE study on efficacy and safety of Carteyva® in adults with r/r FL in China at the 64th Annual Meeting of the American Society of Hematology.

As of the data cut-off date of December 17, 2021, based on 28 patients who had been treated with Carteyva® with 11.7 months of median follow-up, Carteyva® demonstrated remarkable clinical responses, achieving high rates of CRR and ORR (best ORR and best CRR were 100.0% and 92.6% respectively) and a manageable safety profile — only one patient experienced grade 3 or above NT, and no patient experienced grade 3 or above CRS. We are continuing the RELIANCE study, and we currently plan to publish 2 years of follow-up data by the end of 2024.

r/r MCL

We have completed enrollment in a registrational trial in China to evaluate Carteyva® as a treatment for MCL patients who previously received chemotherapy, anti-CD20 agent and Bruton tyrosine kinase inhibitors ("**BTKi**"). This is a Phase II, open-label, single-arm, multicenter study which aims to assess the efficacy and safety of Carteyva® in adults with r/r MCL in China. The study enrolled a total of 59 r/r MCL patients who were r/r to second-line or above treatments. Prior therapies must include an anti-CD20 monoclonal antibody, anthracycline-or bendamustine-containing chemotherapy, and BTKi therapy. We plan to follow up on long-term survival (five years or above) for these patients. In August 2024, the NMPA approved our sNDA relating to Carteyva® for the treatment of adult patients with r/r MCL after two or more lines of systemic therapy including BTKi. The NMPA had granted Breakthrough Therapy Designation to Carteyva® for this purpose in April 2022, as well as priority review in December 2023.

At the 65th Annual Meeting of the American Society of Hematology in December 2023, we reported preliminary safety and efficacy data for our study of Carteyva® as a treatment for MCL. As of the data cut-off of June 30, 2023, a total of 56 participants had been treated with Carteyva®. Of 42 efficacy-evaluable participants, Carteyva® demonstrated remarkable clinical responses, achieving high rates of CRR and ORR (3 months best ORR 78.57%, 3 months best CRR 66.67%). The safety assessment showed that, in 56 participants who received Carteyva®, the incidence of severe (grade≥3) CRS was 5.36%, the incidence of severe (grade≥3) NT was 7.14%, and the incidence of severe (grade≥3) infection was 26.79%.

Third-line ALL

We have commenced a single-arm Phase I/II registrational trial in China to evaluate Carteyva® in pediatric and young adult patients with r/r ALL after at least two prior lines of therapy. The NMPA approved our IND application with respect to this clinical trial in April 2022, we have commenced patient enrollment and administered the first several doses of Carteyva® to patients in this trial. The initial trial data has been published at the 2024 Hybrid Congress of the European Hematology Association.

JWCAR129

JWCAR129 is an autologous CAR-T therapy for the treatment of multiple myeloma ("**MM**"), based on a CAR construct that we have in-licensed from Juno (the H125 vector). MM is a cancer of plasma cells, which are an important part of the immune system formed from matured B-cells to produce antibodies that help the body to attack and kill germs. MM is a condition in which plasma cells become cancerous and grow out of control. JWCAR129 targets BCMA, a protein which is highly expressed in a number of hematological malignancies, including MM. In December 2021, the NMPA approved our IND application relating to JWCAR129 as a treatment for fourth-line or greater r/r MM.

We will continue to evaluate opportunities for the development of JWCAR129 and other product candidates intended for the treatment of MM, taking into account the development status and potential of our other product candidates and availability of funding.

Autoimmune Diseases

Systemic Lupus Erythematosus

SLE is a chronic autoimmune disease characterized by the production of autoantibodies and abnormal B-lymphocyte function. Prevalence of SLE in China mainland is about 30/100,000 or around 270,000 cases patient-year[4], 40% of SLE patients develop organ damage in the first year, and 50% of patients develop irreversible organ damage within five years of onset. Current standards of care are neither effective nor safe, which gives rise to substantial unmet medical needs.

B Cell Depletion Therapy ("**BCDT**") has now become one of the main novel therapy candidates targeted at SLE.

CD19 is widely expressed at all differentiation stages from pre-B cells to plasma cells. Hence, CD19-targeted CAR-T cells may target and deplete B cells or plasma cells that are directly responsible for autoantibody production. Compared with antibodies, CAR-T cell therapy could retain potency over time and rapidly lead to lasting remission. We estimate that at least 15,000 patients are CAR-T eligible in the targeted setting with high treatment willingness.

We received NMPA approval of our IND application relating to relma-cel as a treatment for SLE in April 2023, and we have commenced enrollment of patients in the related study. To further extend relma-cel's potential in broader disease area, we initiated a clinical study to evaluate the safety, tolerability, and pharmacokinetic profile of relma-cel in Chinese patients with moderately or severely active SLE.

4 *Rees F, Doherty M, Grainge MJ, et al. The Worldwide Incidence and Prevalence of Systemic Lupus Erythematosus: A Systematic Review of Epidemiological Studies. Rheumatology. 2017; 56(11): 1945-1961. Applied 30 cases/100,000 and assuming 900 million as China adult population in 2017.*

To further study the efficacy of relma-cel and the recommended Phase II dose ("**RP2D**") in SLE, we have completed several rounds of dose level exploration and observed promising preliminary safety and efficacy data in the first several patients enrolled. We intend to continue patient enrollment, and the initial trial data has been published at the 2024 European Alliance of Associations for Rheumatology Congress. We believe that the Company may be able to secure a first-mover or early-mover advantage in the highly promising market for treatment of SLE in China through development of such therapy.

We have already demonstrated successful manufacture of CAR-T cells for SLE patients in our pilot study and observed a well-managed safety profile, significant improvement of clinical symptoms as well as complete depletion of B-cells in the first several patients enrolled.

Solid Tumors

The following chart summarizes the current development status of our product candidates that are intended for treatment of solid tumors:

	Product	Target	Indication	Commercial Rights	Pre-clinical	Phase I	Pivotal / Phase II/III	NDA	Marketed	Partner
Solid Tumors	JWATM204 [1]	GPC3	HCC	Mainland China, Hong Kong, Macau, Taiwan , and member countries of ASEAN*						EUREKA
	JWATM214 [2]	GPC3	HCC	Mainland China, Hong Kong, Macau, Taiwan, and member countries of ASEAN*						Lyell EUREKA
	JWATM203 [1]	AFP	HCC	Mainland China, Hong Kong, Macau, Taiwan, and member countries of ASEAN*						EUREKA
	JWATM213	AFP	HCC	Mainland China, Hong Kong, Macau, Taiwan, and member countries of ASEAN*						Lyell EUREKA
	JWTCR001	MAGE-A4	various solid tumors	Mainland China, Hong Kong, Macau						2seventybio
	JWCAR031	DLL3	SCLC	Mainland China, Hong Kong, Macau						Bristol Myers Squibb

Abbreviations: HCC = hepatocellular carcinoma; NSCLC = non-small cell lung cancer; AFP = alpha-fetoprotein; GPC3 = glypican-3; r/r = relapsed or refractory; HAS = hepatoid adenocarcinoma of the stomach; MAGE-A4 = melanoma associated antigen A4; DLL3 = Delta-like ligand 3.

* Mainland China, Hong Kong, Macau and Taiwan refer to Mainland China, Hong Kong (China), Macau (China) and Taiwan (China), respectively.

1. JWATM204 is in a Phase I investigator-initiated trial in China. Eureka's products based on the CAR constructs underlying JWATM203 and JWATM204 are currently in Phase I/II trials in the US conducted by Eureka under an IND application. In November 2021, the FDA granted Fast Track Designation to Eureka's counterpart to JWATM203 for the treatment of hepatoblastoma ("**HB**") and HCC in pediatric patients, as well as "rare pediatric disease designation" for the treatment of HB. In February 2022, the FDA granted Orphan Drug Designation to Eureka's counterparts to JWATM203 and JWATM204.

2. Developing using Lyell technology.

JWATM204/214

JWATM204 is a validated autologous, non-HLA-restricted, T-cell receptor T-cell ("**TCR-T**") therapy candidate built on Eureka's ARTEMIS® and E-ALPHA® platforms and targeting glypican-3 ("**GPC3**") for the treatment of HCC. Treatment of HCC represents a huge unmet medical need in China, and we believe that JWATM204 has the potential to be a treatment for patients with GPC3-positive HCC. In June 2020, we in-licensed from Eureka the rights to develop, manufacture and commercialize JWATM204 in Mainland China, Hong Kong, Macau, Taiwan[5] and the member countries of the Association of Southeast Asian Nations (the "**JW Territory**"). We completed manufacturing process development for the JWATM204 in the third quarter of 2021 by leveraging our relma-cel manufacturing process platform. In July 2022, we commenced an IIT of JWATM204 as a treatment for patients with advanced HCC, and we have already administered JWATM204 to several patients in connection with this trial. We have completed the dose exploration phase of this study and have observed preliminary efficacy and safety data.

Through our partnerships with Eureka and Lyell, we have combined Lyell's technology in T-cell anti-exhaustion functionality with JWATM204 to create a novel product, JWATM214, for HCC treatment. In 2022, we focused on vector manufacturing process development for the JWATM214 program and have a vector manufacturing process development based entirely in China. In February 2023, we commenced an IIT relating to JWATM214 as a treatment for patients with advanced HCC. With respect to the ongoing IIT relating to JWATM214 as a treatment for patients with advanced HCC, the dose-finding phase was completed in the first half of 2024 and we currently expect this IIT to be completed by the end of 2024.

JWATM203/213

JWATM203 is a potentially superior autologous T-cell receptor mimic ("**TCRm**") T-cell therapy targeting alpha-fetoprotein ("**AFP**") for the treatment of HCC. In June 2020, we in-licensed from Eureka the rights to develop, manufacture and commercialize JWATM203 in the JW Territory. As with JWATM204, we also plan to combine Lyell's technology in T-cell anti-exhaustion functionality with JWATM203 and Eureka's ARTEMIS® technology platform to create JWATM213, an additional autologous cell therapy for HCC treatment.

5 *Mainland China, Hong Kong, Macau and Taiwan refer to Mainland China, Hong Kong (China), Macau (China) and Taiwan (China), respectively.*

JWTCR001

JWTCR001 is a specific cell therapy product directed to MAGE-A4 (including any mutations, fragments, modifications or derivatives of the engineered TCR binding MAGE-A4). MAGE-A4 is a highly prevalent antigen in a wide variety of malignant tumors, including non-small cell lung cancer, melanoma, bladder, head and neck, gastroesophageal and ovarian cancers, and thus an ideal target indication for TCR-T therapy. We have utilized the CTBR12 TGF-beta ("**FLIP**") receptor technique developed by Regeneron, which potentially increases efficacy. Early phase clinical trials[6] have previously demonstrated that TCR-T cell therapies targeting MAGE-A4 can have meaningful clinical efficacy for treatment of MAGE-A4-expressing solid tumors. The biologics license application ("**BLA**") for treatment of synovia sarcoma was accepted by the U.S. FDA on January 31, 2024, and priority review has been granted.

In October 2022, we established a strategic alliance with 2seventy bio to develop and commercialize a cell therapy product directed to MAGE-A4 (including any mutations, fragments, modifications or derivatives of the engineered binding element for MAGE-A4) in oncology indications. The agreement is focused on the technologies and know-how possessed by 2seventy bio, and also includes future prospects for the development and commercialization of the product in Greater China based on addressable patient population and unmet medical needs. We believe that the Company may be able to secure a first-mover or early-mover advantage in a highly promising market through development of such a therapy. We have established our manufacturing process for a product directed to MAGE-A4 in anticipation of commencement of an IIT, and this study has started to enroll patients from the first quarter of 2024.

JWCAR031

JWCAR031 is a specific CAR-T product specifically directed to DLL3 that contains a construct that we in-licensed from Juno and that is manufactured using the JW manufacturing process. While activation and up-regulation of Notch would generally induce tumor formation and promote tumor development, its activation and up-regulation in neuroendocrine tumors could suppress tumor growth, specifically in small cell lung carcinoma ("**SCLC**"). Thus DLL3 plays a key role in the signaling pathway that regulates tumorigenesis, disease progression and chemoresistance. Taking SCLC as an illustration, DLL3 is highly expressed in about 80% of the patients, and clinical studies have demonstrated that DLL3 in SCLC is negatively correlated with patients' survival.

JWCAR031 is being developed under the agreement that we entered into with Juno in December 2022 for the research, development, manufacturing and commercialization of new cellular therapy products specifically directed to DLL3 in Greater China, taking into consideration Juno's leading position in the field of cell therapy and the significant market potential of such products as evidenced by the addressable markets. We believe that we have the potential to be one of the early movers in such highly promising market through this development.

6 Adaptimmune's Surpass and Spearhead trials, as reported at the European Society for Medical Oncology (2022).

Cautionary Statement required by Rule 18A.05 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"): We cannot guarantee that we will be able to successfully develop or ultimately market Carteyva® in indications beyond the current NMPA-approved label, or to successfully develop or ultimately market our other pipeline products. Shareholders and potential investors of the Company are advised to exercise due care when dealing in the shares of the Company.

Discovery and Pre-clinical Research

Our early research and development efforts are focused on engineering innovative pipeline products that make the most of our infrastructure and expertise. Following the successful registration and commercialization of our personalized anti-CD19 CAR product in China, we have established an efficient framework for collecting, manufacturing, and delivering autologous CAR therapies to patients in need. Building on this success, our early research aims to further leverage this framework by developing new autologous products with enhanced features and expanding their commercialization to international markets without regional restrictions. With global commercialization envisioned, we intend to engineer our new pipeline products in a way that will maximize their values to us.

Our new pipeline products will primarily focus on addressing unmet needs for hematological cancers, solid tumors and autoimmune diseases, with an aim to overcome key challenges and limitations in this field. Alongside developing new products, by means of early research, we also invest substantial effort into strengthening our existing pipeline through process modifications and incorporation of additional components. These products will incorporate additional "Armor" elements that are designed in-house to enhance the anti-cancer function of CAR therapies. By combining these Armor elements with the CAR products, we aim to prolong the duration of therapy in patients and make it less responsive to suppressive signals produced by tumors, so as to achieve better outcomes in patients.

Furthermore, all of these new products will benefit from our next-generation product processing method, which has been internally developed to accelerate manufacturing, reduce costs and maintain the product in an optimal state compared to conventional methods.

One of our first in-house developed products will be a dual targeting autologous CAR T-cell therapy designed for B-cell malignancies and autoimmune diseases. By incorporating dual targeting, this product is expected to have a broader range of effectiveness, increase the signaling threshold, and significantly reduce the risk of relapse due to antigen downregulation or loss, commonly observed in hematological cancers. Additionally, we plan to equip this product with enhancing Armored elements to improve performance and shield it from suppressive factors produced by the tumor's defense systems. Our next-generation processing techniques will be deployed to manufacture this product, aiming to deliver a more potent, rapid and cost effective therapy. The CAR product for autoimmune diseases (JWCAR201) is currently expected to be delivered to the clinic by the third quarter of 2024 while the enhanced CAR product for B-cell malignancies is currently expected to be delivered to the clinic by the first half of 2025. Both of these products are intended for commercialization both within and outside China.

In addition, we are developing two new CAR products for solid tumor indications. Both products are designed, engineered and intended for commercialization within and outside China and are expected to be delivered to the clinic in 2025. Both of these products express enhancing Armored elements and take advantage of our next generation cellular processes, designed to increase product potency and reduce manufacturing cost and time.

The following chart summarizes the current development status of our potential new products:

Indication	Target	Commercial	Pre-clinical	IIT
Autoimmune diseases	Dual Targeting	Worldwide		Expected in Q3 2024
B-cell malignancies	Dual Targeting	Worldwide		Expected in H1 2025
Solid tumor 1	To be announced	Worldwide		Expected in 2025
Solid tumor 2	To be announced	Worldwide		Expected in 2025

Finally we continue to explore innovative approaches to streamline and simplify the manufacturing process. In light of published performance challenges faced by off-the-shelf allogeneic product, we are refocusing our manufacturing efforts on our core strength which is lenti-autologous products. We are committed to improve these practices to deliver a faster, cost-effective and robust therapy. These innovative manufacturing approaches aim to produce CAR T-cell products that are more potent and less exhausted, ensuring better patient outcomes.

Manufacturing

In June 2020, we received a production license from Jiangsu Province authorities for our new commercial manufacturing facility in Suzhou. This facility provides approximately 10,000 square meters for commercial and clinical manufacturing in compliance with Good Manufacturing Practice ("**GMP**") and Quality Management System ("**QMS**") standards. It is designed to house four independent modules. The design of these modules can be adapted to support all cell platforms, including those using gene-modified autologous T-cells and natural killer ("**NK**") cells, gene-modified or non-gene-modified tumor-infiltrating lymphocyte and gene-modified allogeneic immune cells, as well as facilities to produce GMP grade viral vectors that are used to genetically modify these cells.

Our Suzhou operations have been executing according to our commercialization plans and have made significant achievements during the past several years. In March 2021, we received and passed relma-cel Pre-approval Inspection ("**PAI**") conducted jointly by the NMPA and Jiangsu Medical Products Administration with no critical or major observations. In June 2021, our production license for Suzhou site was renewed with the license type changed from As to As+Cs (A as Marketing Authorization Holder ("**MAH**") owner and manufacturer, C as contract manufacturing organization ("**CMO**"), s as bio products). Currently, all three modules have been approved and are in full GMP operations. With current regulatory approval, we can meet manufacturing needs for both commercial and clinical supplies and have maintained a high manufacturing success rate of 98% since our LBCL registration clinical trial. After initial product launch, we have gained multiple approvals for manufacturing capacity expansion in the fourth quarter of 2022, the first quarter and the fourth quarter of 2023. We continue working with relevant regulatory agencies to further increase our manufacturing capacity in order to meet the increased demands.

As a critical material, sustainable lentiviral vector supply is necessary to ensure our final product manufacturing and supply. We continuously invest resources in establishing our own capability in vector development and manufacturing. We have developed a platform process and successfully manufactured vectors to support clinical programs. Furthermore, we are establishing vector capability for commercial product.

Future and Development

Our vision is becoming an innovation leader in cell immunotherapy, we intend to focus on pursuing the following strategies to achieve that vision:

- Continue to drive full scale commercialization of Carteyva®.
- Solidify our leadership in hematology by continuing to develop Carteyva® for earlier lines of treatment and additional indications, as well as further expanding clinical development for autoimmune diseases.
- Leverage our integrated cell therapy platform to expand into the solid tumor market.
- Continuously enhance our manufacturing capability and implement cost reduction plan through innovation and scale.
- Grow our business through in-licensing opportunities, partnerships and selective acquisitions, as well as in-house R&D.

FINANCIAL REVIEW

Six Months Ended June 30, 2024 Compared to Six Months Ended June 30, 2023

IFRS Measure:

	Six months ended June 30,	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Revenue	**86,815**	87,740
Cost of sales	**(43,070)**	(42,927)
Gross profit	**43,745**	44,813
General and administrative expenses	**(59,233)**	(78,694)
Research and development expenses	**(151,008)**	(216,531)
Selling expenses	**(76,172)**	(60,168)
Other income	**1,884**	1,836
Other gains/(losses), net	**(6,729)**	(81,176)
Operating loss	**(247,513)**	(389,920)
Finance income	**13,299**	15,088
Finance costs	**(6,053)**	(5,583)
Finance income/(costs) — net	**7,246**	9,505
Loss before income tax	**(240,267)**	(380,415)
Income tax expense	**—**	—
Loss for the period	**(240,267)**	(380,415)
Other comprehensive income/(loss):		
Items that will not be reclassified to profit or loss		
— Exchange differences on translation	**19,548**	134,570
Other comprehensive income/(loss) for the period, net of tax	**19,548**	134,570
Total comprehensive loss for the period	**(220,719)**	(245,845)
Non-IFRS measure:		
Adjusted loss for the period	**(214,712)**	(267,072)

1. Revenue

Revenue was RMB86.8 million for the six months ended June 30, 2024, as compared to RMB87.7 million for the six months ended June 30, 2023. Revenue was recognized at the point of infusion. This stable sales performance was attributed to the ongoing commercialization of our anti-CD19 autologous CAR-T cell immunotherapy product, Carteyva® (relma-cel, R&D code: JWCAR029). Carteyva® was approved for treating adult patients with r/r LBCL and r/r FL. As the market continues to evolve, we anticipate a sustained increase in revenue from the sales of Carteyva®, which has a superior product profile that could bring break through value to patients and additional indications are expected to be approved.

The following table sets forth a breakdown of revenue from our products for the period indicated:

	Six months ended June 30,			
	2024		2023	
	RMB'000	**%**	*RMB'000*	*%*
	(Unaudited)		(Unaudited)	
Carteyva®	**86,815**	**100.0**	87,740	100.0
Total revenue	**86,815**	**100.0**	87,740	100.0

2. Cost of Sales

Cost of sales was RMB43.1 million for the six months ended June 30, 2024, as compared to RMB42.9 million for the six months ended June 30, 2023. Cost of sales primarily consists of raw material costs, staff costs, depreciation and amortization, manufacturing overhead and others.

The following table sets forth a breakdown of cost of sales for the period indicated:

	Six months ended June 30,			
	2024		2023	
	RMB'000	**%**	*RMB'000*	*%*
	(Unaudited)		(Unaudited)	
Carteyva®	**43,070**	**100.0**	42,927	100.0
Total cost of sales	**43,070**	**100.0**	42,927	100.0

3. Gross Profit and Gross Profit Margin

Gross profit represents revenue minus cost of sales. Gross profit margin represents our gross profit as a percentage of our revenue.

Gross profit was RMB43.7 million and gross profit margin was 50.4% for the six months ended June 30, 2024, which remains stable as compared to RMB44.8 million and 51.1%, respectively, for the six months ended June 30, 2023.

4. R&D Expenses

The following table provides a breakdown of R&D expenses for the six months ended June 30, 2023 and 2024:

	Six months ended June 30,	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Employee benefit expenses	**68,320**	92,012
Testing and clinical fees	**29,602**	38,520
Depreciation and amortization	**27,401**	30,648
R&D materials	**17,853**	42,297
Office expenses	**5,365**	8,512
Others	**2,467**	4,542
R&D expenses	**151,008**	216,531

R&D expenses decreased from RMB216.5 million for the six months ended June 30, 2023 to RMB151.0 million for the six months ended June 30, 2024. This decrease was primarily attributable to: (i) a decrease of approximately RMB23.7 million in employee benefit expenses; (ii) a decrease of approximately RMB24.4 million in R&D materials; (iii) a decrease of approximately RMB8.9 million in testing and clinical fees; and (iv) a decrease of approximately RMB3.1 million in office expenses.

5. General and Administrative Expenses

The following table provides a breakdown of general and administrative expenses for the six months ended June 30, 2023 and 2024:

	Six months ended June 30,	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Employee benefit expenses	**33,125**	46,831
Professional service fees	**12,672**	15,471
Depreciation and amortization	**5,560**	6,344
Office expenses	**4,748**	6,019
Non-audit remuneration	**556**	555
Others	**2,572**	3,474
General and Administrative Expenses	**59,233**	78,694

General and administrative expenses decreased from RMB78.7 million for the six months ended June 30, 2023 to RMB59.2 million for the six months ended June 30, 2024. This decrease resulted primarily from a decrease of approximately RMB13.7 million in employee benefit expenses and third party professional service fees.

6. Selling Expenses

The following table provides a breakdown of selling expenses for the six months ended June 30, 2023 and 2024:

	Six months ended June 30,	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Employee benefit expenses	**21,350**	30,122
Business promotion fees	**50,096**	25,932
Professional service fees	**2,926**	1,508
Office expenses	**1,470**	2,044
Others	**330**	562
Selling expenses	**76,172**	60,168

Selling expenses increased from RMB60.2 million for the six months ended June 30, 2023 to RMB76.2 million for the six months ended June 30, 2024. This increase was primarily due to an increase of RMB24.2 million in business promotion fees resulting from business strategy implementation. The effect of the increased promotion fees was partially offset by the decrease of RMB8.8 million in employee benefit expenses, which was part of our optimization of selling expenses to remain competitive in order to support the commercialization of Carteyva®.

7. Other Income

Other income amounted to RMB1.9 million for the six months ended June 30, 2024, as compared to RMB1.8 million for the six months ended June 30, 2023. Other income in both periods was related to government grants.

8. Other Gains and Losses

Other gains and losses amounted to net other losses of RMB6.7 million for the six months ended June 30, 2024, as compared to net other losses of RMB81.2 million for the six months ended June 30, 2023. This change resulted primarily from a net foreign exchange loss of RMB7.0 million for the six months ended June 30, 2024, as compared to a net foreign exchange loss of RMB81.4 million for the six months ended June 30, 2023. These losses mainly arose from the unrealized foreign exchange loss as a result of the relatively stable exchange rate of RMB against USD and HKD when exchanging the transactional currency (RMB) to the functional currencies (USD and HKD) for our offshore companies within the Group, as compared to the same period in 2023. These unrealized foreign exchange losses are non-cash items.

9. Income Tax Expense

For the six months ended June 30, 2023 and 2024, we did not incur any income tax expense, as we did not generate taxable income in either period.

10. Loss for the Period

As a result of the above items, loss for the period was RMB240.3 million for the six months ended June 30, 2024, as compared to RMB380.4 million for the six months ended June 30, 2023. The decrease was primarily attributable to: (i) decrease in R&D expenses resulting from further improved operation efficiency in the Reporting Period; (ii) decrease in general and administrative expenses due to improved workforce efficiency; and (iii) decrease in net other losses. The effects of the factors mentioned above were partially offset by the increase in selling expenses to support the commercialization of Carteyva®.

11. Non-IFRS Measure

To supplement the Group's consolidated financial statements, which are presented in accordance with IFRS, we also use adjusted loss for the period as an additional financial measure, which is not required by, or presented in accordance with IFRS. We believe that these adjusted measures provide useful information to Shareholders and potential investors in understanding and evaluating our consolidated results of operations in the same manner as they help our management.

Adjusted loss was RMB214.7 million for the six months ended June 30, 2024, representing a decrease of RMB52.4 million from RMB267.1 million for the six months ended June 30, 2023. The decrease was primarily attributable to decrease in net other losses, R&D expenses and general and administrative expenses.

Adjusted loss for the period represents the loss for the period excluding the effect of certain non-cash items and one-time events, namely the loss on share-based compensation expenses and net foreign exchange losses. The term adjusted loss for the period is not defined under 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, our results of operations or financial condition as reported under IFRS. Our presentation of this adjusted figure may not be comparable to similarly titled measures presented by other companies. However, we believe that this non-IFRS measure reflects our core operating results by eliminating potential impacts of items that our management do not consider to be indicative of our core operating performance, and thus, facilitate comparisons of core operating performance from period to period and company to company to the extent applicable. The table below sets forth a reconciliation of loss to adjusted loss for the periods indicated:

	Six months ended June 30,	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Loss for the period	**(240,267)**	(380,415)
Added:		
Share-based compensation expenses	**18,557**	31,954
Net foreign exchange losses	**6,998**	81,389
Adjusted loss for the period (Non-IFRS)	**(214,712)**	(267,072)

Selected Data from Statement of Financial Position

	As at June 30, 2024 *RMB'000* (Unaudited)	As at December 31, 2023 *RMB'000* (Audited)
Total current assets	**944,366**	1,067,484
Total non-current assets	**1,035,455**	1,078,613
Total assets	**1,979,821**	2,146,097
Total current liabilities	**323,426**	264,469
Total non-current liabilities	**174,451**	197,790
Total liabilities	**497,877**	462,259
Net current assets	**620,940**	803,015

12. Liquidity and Sources of Funding and Borrowing

As of June 30, 2024, current assets amounted to RMB944.4 million, including cash and cash equivalents of RMB869.0 million and other current assets of RMB75.4 million. As at the same date, current liabilities amounted to RMB323.4 million, primarily including borrowings of RMB192.5 million, trade and other payables of RMB91.4 million, and contract liability of RMB23.2 million.

Since 2022, we strictly controlled our cash expenditures and actively diversified and expanded our financing channels to provide financial assurance for our future development. As of June 30, 2024, we have unsecured bank borrowings in the amount of RMB333.6 million, which includes: (i) unsecured long term bank borrowings in the amount of RMB163.6 million; and (ii) unsecured bank liquidity borrowings drawdown in the amount of RMB170.0 million from the bank facilities which multiple banks have granted, with all bank borrowings denominated in RMB. As of the date of this report, the Group has available unutilized bank loan facilities of RMB403.9 million.

As of June 30, 2024, cash and cash equivalents were RMB869.0 million, representing a net cash outflow of RMB136.9 million for the six months ended June 30, 2024 compared to RMB110.4 million for the six months ended June 30, 2023. The cash outflow was primarily due to payments of selling expenses, R&D expenses, general and administrative expenses, purchase of intangible assets, and decrease in repayment of fundings and interest from related party. These payments were partially offset by increased bank borrowings. The cash and cash equivalents were mainly denominated in RMB or USD.

13. Key Financial Ratios

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

	As of June 30, 2024	As of December 31, 2023
Current ratio[1]	**2.9**	4.0
Ratio of total liabilities to total assets[2]	**0.3**	0.2
Gearing ratio[3]	**N/A[4]**	N/A[4]

(1) Current ratio equals current assets divided by current liabilities as of the date indicated.

(2) Ratio of total liabilities to total assets equals total liabilities divided by total assets as of the date indicated.

(3) Gearing ratio is calculated using interest-bearing borrowings less cash and cash equivalents divided by total equity and multiplied by 100%.

(4) Gearing ratio is not applicable as our interest-bearing borrowings less cash equivalents was negative.

14. Material Investments

We did not make any material investments during the six months ended June 30, 2024.

15. Material Acquisitions and Disposals

We did not engage in any material acquisitions or disposals during the six months ended June 30, 2024.

16. Pledge of Assets

As of June 30, 2024, the Group had no pledge of assets.

17. Contingent Liabilities

As of June 30, 2024, we did not have any material contingent liabilities.

18. Foreign Exchange Exposure

The Group mainly operated in Mainland China and a majority of its transactions were settled in RMB. We have financed our business principally through equity financings and the Global Offering with related proceeds denominated in USD ultimately. We converted a portion of those USD proceeds to RMB, with the remaining amounts reserved for additional conversions to RMB as needed. With the continuous appreciation of USD against the RMB, holding USD assets will enhance the purchasing power of the Group.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the Reporting Period. Differences arising on settlement or translation of monetary items are recognized in profit or loss. During the six months ended June 30, 2024, foreign exchange risk arose from the assets and liabilities denominated in RMB which is different from the functional currencies of the Company due to the weakening of RMB against USD and HKD in the first half of 2024. The management seeks to limit our exposure to foreign currency risk by closely monitoring and minimizing its net foreign currency position. During the Reporting Period, the Group did not enter into any currency hedging transactions.

19. Employees and Remuneration

As of June 30, 2024, we had 323 employees representing a decrease of 34.1% from 490 employees as of June 30, 2023. The following table sets forth the total number of employees by function as of June 30, 2024:

	Number of Employees	% of total
Manufacturing operations	119	36.8
Research and development	57	17.7
Research and technical development	46	14.2
Commercial	43	13.3
Support functions and business development	36	11.2
Quality	22	6.8
Total	323	100.0

The total remuneration cost (including Directors' emoluments) incurred by the Group for the six months ended June 30, 2024 was RMB128.0 million, as compared to RMB174.5 million for the six months ended June 30, 2023.

The remuneration of the employees of the Group comprises salaries, bonuses, employees provident fund and social security contributions, other welfare payments and share-based compensation expenses. In accordance with applicable Chinese laws, the Group has 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 the Group's employees.

To maintain the quality, knowledge and skill levels of the Group's workforce, the Group provides its employees with trainings regularly, including induction training for new employees and other trainings on health and safety, professional development, technical skills development and management.

The Company has also adopted the Pre-IPO Incentivization Scheme, the Restricted Share Unit Scheme, the Post-IPO Incentivization Scheme and the Post-IPO Restricted Share Unit Scheme while no restricted share units or share options were granted to any directors, chief executive, substantial shareholders of the Company (or their respective associates), any participant with restricted share units or share options granted or to be granted exceeding the 1% individual limit, and no restricted share units or share options were granted to a related entity participant or service provider with restricted share units or share options granted and to be granted in any 12-month period exceeding 0.1% of the relevant class of shares in issue (excluding treasury shares) for the six months ended June 30, 2024 under any of the schemes. Please refer to the section headed "Share Incentivization Schemes" in this interim report for further details.

EVENTS AFTER THE REPORTING PERIOD

There have been no significant events since the end of the Reporting Period.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders and to enhance corporate value and accountability. The Company has adopted the CG Code as set out in Appendix C1 to the Listing Rules as its own code of corporate governance during the six months ended June 30, 2024.

Except as expressly described below, the Company has complied with all applicable code provisions set out in Part 2 of the CG Code during the six months ended June 30, 2024.

Separation of the Roles of the Chairman of the Board and Chief Executive Officer

Pursuant to code provision C.2.1 in Part 2 of the CG Code, the roles of the chairman of the Board (the "**Chairman**") and chief executive officer of the Company (the "**CEO**") should be separate and should not be performed by the same individual. Following Mr. Min Liu's appointment as the CEO and an executive Director, Dr. Li remains as the interim Chairman to provide support and facilitate a smooth transition, resigned as the CEO and has been redesignated as a non-executive Director. Upon the aforesaid changes taking effect from July 31, 2024, the roles of Chairman and CEO will be separately performed by Dr. Li and Mr. Min Liu, respectively. Also, the Company has clearly established the division of responsibilities between the Chairman and the CEO. It follows that the Company will be in full compliance with code provision C.2.1 in Part 2 of the CG Code with effect from July 31, 2024 and we considered that it is beneficial to the business prospects of the Group at present.

The Company will continue to review and monitor its corporate governance practices to ensure compliance with the CG Code.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted its own code of conduct regarding securities transactions, namely the Code for Securities Transactions by Directors (the "**Securities Transactions Code**"), which applies to all Directors on terms no less than the required standard indicated by the Model Code for Securities Transactions by Directors of Listed Issuers as set out in the Appendix C3 to the Listing Rules (the "**Model Code**").

Specific enquiry has been made to all the Directors and they have confirmed that they have complied with the Securities Transactions Code during the six months ended June 30, 2024.

INTERIM DIVIDEND

The Board has resolved not to recommend the payment of interim dividend for the six months ended June 30, 2024 (six months ended June 30, 2023: Nil).

AUDIT COMMITTEE

The Board has established the Audit Committee which was chaired by independent non-executive Director, Mr. Yiu Leung Andy Cheung from January 1, 2024 to August 28, 2024. With effect from August 28, 2024, it is chaired by Mr. Kin Cheong Kelvin Ho (who has been redesignated as chairman of the Audit Committee on August 28, 2024), and consists of independent non-executive Director, Mr. Peng Kuan Chan (who has been appointed as member of the Audit Committee on August 28, 2024), and non-executive Director, Ms. Xing Gao. The primary duties of the Audit Committee are to assist the Board by monitoring the Company's ongoing compliance with the applicable laws and regulations that governs its business operations, providing an independent view on the effectiveness of the Company's internal control policies, financial management processes and risk management systems.

The Audit Committee had, together with the management and external auditor of the Company, reviewed the accounting principles and policies adopted by the Group and the unaudited condensed consolidated financial statements of the Group for the six months ended June 30, 2024.

The unaudited condensed consolidated interim financial statements of the Group for the six months ended June 30, 2024 have also been reviewed by PricewaterhouseCoopers in accordance with International Accounting Standard 34 "Interim Financial Reporting".

PRINCIPAL RISKS AND UNCERTAINTIES

The following list is a summary of certain principal risks and uncertainties involved in our operations, some of which are beyond our control:

Risks Relating to Our Financial Position

- We have incurred significant losses since our inception, and we expect to continue to incur losses for the foreseeable future;

- An impairment in the carrying value of intangible assets could have a material adverse effect on our financial condition and results of operations.

Risks Relating to Our Business

- Changes in international trade or investment policies and barriers to trade or investment, the ongoing conflict and trade tension war between the U.S. and China may have an adverse effect on our business and expansion plans;

- We operate in a rapidly changing industry and we face substantial competition, which may result in others discovering, developing or commercializing competing products before or more successfully than we do, or developing product candidates or treatments that are safer, more effective, more effectively marketed or cost less than ours, or receive regulatory approval or reach the market earlier. As a result, our product candidates may not achieve the sales we anticipate and could be rendered non-competitive or obsolete;

- Our proprietary CAR-T preparation technologies and the manufacturing platform for our CAR-T product candidates represent emerging approaches to cancer treatment that face significant challenges and hurdles;

- Clinical development of biopharmaceutical products involves a lengthy and expensive process with an uncertain outcome, and results of earlier studies and trials may not be predictive of future trial results;

- If clinical trials of our product candidates fail to demonstrate safety and efficacy to the satisfaction of regulatory authorities or do not otherwise produce positive results, we may incur additional costs or experience delays in completing, or ultimately be unable to complete, the development and commercialization of our product candidates;

- We may not be successful in our efforts to build or in-license a pipeline of new product candidates. If we fail to do so, our commercial opportunity will be limited;

- We may expend our limited resources to pursue a particular product candidate or indication and fail to capitalize on product candidates or indications that may be more profitable or have a greater likelihood of success.

Risks Relating to Extensive Government Regulation

- All material aspects of the research, development, manufacturing and commercialization of biopharmaceutical products are heavily regulated. Any failure to comply with existing regulations and industry standards, or any adverse actions by the NMPA or other comparable regulatory authorities against us, could negatively impact our reputation and our business, financial condition, results of operations and prospects;

- The regulatory approval processes of the NMPA and other comparable regulatory authorities are lengthy, time-consuming and inherently unpredictable. If we are ultimately unable to obtain, or experience delays in obtaining, regulatory approval for our product candidates, our business will be substantially harmed;

- Changes in government regulations or in practices relating to the pharmaceutical and biopharmaceutical industries, including healthcare reform in China, and compliance with new regulations may result in additional costs;

- Even if we are able to commercialize any approved product candidates, the products may become subject to unfavorable pricing regulations, or to unfavorable changes in national or third-party reimbursement practices, which could harm our business.

Risks Relating to Manufacturing of Our Product Candidates

- Our product candidates are cell therapies. The manufacture of our product candidates is complex, and we may encounter difficulties in production, particularly with respect to development or scaling-out of our manufacturing capabilities. If we encounter such difficulties, our ability to provide supply of our product candidates for clinical trials or our products for patients, if approved, could be delayed or stopped, or we may be unable to maintain a commercially viable cost structure;

- Cell-based therapies rely on the availability of reagents, specialized equipment, and other specialty materials, which may not be available to us on acceptable terms or at all. For some of these reagents, equipment, and materials, we rely or may rely on sole source vendors or a limited number of vendors, which could impair our ability to manufacture and supply our products.

Risks Relating to Commercialization of Our Product Candidates

- The market opportunities for our product candidates may be limited to those patients who are ineligible for or have failed prior treatments and may be small, and our projections regarding the size of the addressable market may be incorrect;

- We may not be successful in achieving cost of goods at commercial scale that provide for an attractive margin. We believe that our current, robust manufacturing processes are fit for commercial scale and we anticipate they will enable commercial supply at an economical cost. However, we have not yet established manufacturing capacity at sufficient commercial scale and may underestimate the cost and time required to do so, or overestimate cost reductions from economies of scale that can be realized with our manufacturing processes. We may ultimately be unable to manage the cost of goods for our product candidates to levels that will allow for a margin in line with our expectations and return on investment if and when those product candidates are commercialized;

- Product liability claims or lawsuits could cause us to incur substantial liabilities, and our insurance coverage may be inadequate to protect us from all the liabilities we may incur;

- The increasing use of social media platforms presents new risks and challenges.

Risks Relating to Our Intellectual Property Rights

- We depend on intellectual property licensed from third parties, and termination of any of these licenses or disruption to our business relationship with our licensors could result in monetary damages or the loss of significant rights, which would harm our business;

- If we or our licensors are unable to obtain and maintain adequate patent and other intellectual property protection for our product candidates and other intellectual property, or if the scope of such intellectual property rights obtained is not sufficiently broad, third parties could develop and commercialize products and technologies similar or identical to ours and compete directly against us, and our ability to successfully develop and commercialize any of our product candidates or technologies may be adversely affected;

- If we determine that our intellectual property rights (including rights in-licensed from third parties) or other intangible assets are impaired, our results of operations and financial condition may be adversely affected;

- Even if we are able to obtain patent protection for our product candidates, the life of such protection, if any, is limited, and third parties could be able to circumvent our patents by developing similar or alternative products and technologies in a non-infringing manner, or develop and commercialize products and technologies similar or identical to ours and compete directly against us after the expiration of our patent rights, if any, and our ability to successfully commercialize any product or technology would be materially adversely affected.

Risks Relating to Our Doing Business in China

- The biopharmaceutical industry in China is highly regulated and such regulations are subject to change, which may affect approval and commercialization of our product candidates;
- Changes in the political and economic policies of the PRC government may materially and adversely affect our business, financial condition and results of operations and may result in our inability to sustain our growth and expansion strategies;
- Our business benefits from certain financial incentives and preferential policies granted by local governments. Expiration of, or changes to, these incentives or policies would have an adverse effect on our results of operations.

However, the above is not an exhaustive list. Investors are advised to make their own judgment or consult their own investment advisors before making any investment in the Shares.

For further details, please refer to the section headed "Risk Factors" in the Prospectus.

CHANGES IN DIRECTORS' INFORMATION

Name of Director	Change
Mr. Min Liu	Mr. Liu has been appointed as the chief executive officer of the Company, an executive Director, a member of the Nomination Committee and the Business Development and Strategy Committee, and the authorized representative of the Company with effect from July 31, 2024.
Dr. Li	Dr. Li has resigned as the chief executive officer of the Company and has been redesignated as a non-executive Director with effect from July 31, 2024. Dr. Li ceased to be the chairman of the Nomination Committee and a member of the Business Development and Strategy Committee, and the authorized representative of the Company with effect from July 31, 2024.
Ms. Xing Gao	Ms. Gao has been appointed as a member of the Business Development and Strategy Committee with effect from July 31, 2024.
Dr. Ann Li Lee	Dr. Lee has resigned as an independent non-executive Director and the chairman of the Remuneration Committee with effect from July 31, 2024.
Dr. Krishnan Viswanadhan	Dr. Viswanadhan has resigned as an independent non-executive Director, the co-chairperson of the Business Development and Strategy Committee and a member of the Nomination Committee with effect from July 31, 2024.

Name of Director	Change
Mr. Yiu Leung Andy Cheung	Mr. Cheung has been appointed as an independent non-executive Director of Genscript Biotech Corporation, a company listed in HKEX (Stock code: 1548), with effect from April 12, 2024. Mr. Cheung has been appointed as a member of the Remuneration Committee and ceased to be a member of the Nomination Committee with effect from July 31, 2024. Mr. Cheung has resigned as an independent non-executive Director, the chairman of Audit Committee and a member of the Remuneration Committee with effect from August 28, 2024.
Dr. Debra Yu	Dr. Yu has been appointed as the chairman of the Remuneration Committee with effect from July 31, 2024. Following Dr. Viswanadhan's resignation, Dr. Yu became the sole chairperson of the Business Development and Strategy Committee, with effect from July 31, 2024. Dr. Yu has resigned as a director of ARYA Sciences Acquisition Corp V (a company listed on Nasdaq under the symbol ARYA) in July, 2023.
Mr. Kin Cheong Kelvin Ho	Mr. Ho has been appointed as the chairman of the Nomination Committee and ceased to be a member of the Remuneration Committee with effect from July 31, 2024. Mr. Ho has been redesignated as the chairman of the Audit Committee with effect from August 28, 2024.
Mr. Peng Kuan Chan	Mr. Chan has been appointed as an independent non-executive Director, a member of the Audit Committee and the Remuneration Committee with effect from August 28, 2024.

The Board has approved, with effect from July 1, 2024, an increase in remuneration of all current and to be appointed independent non-executive Directors of the Company, bringing the remuneration of such independent non-executive Directors to USD55,000 per annum. The Board has further approved:

(i) the remuneration of any independent non-executive Directors of the Company who also serves as chairman of a committee of the Company will be USD60,000 per annum:

The remuneration of Mr. Yiu Leung Andy Cheung, independent non-executive Director and chairman of the Audit Committee, who has resigned with effect from August 28, 2024, will be USD60,000 per annum from July 1, 2024 to August 28, 2024.

The remuneration of Mr. Kin Cheong Kelvin Ho, independent non-executive Director and chairman of the Nomination Committee, will be USD60,000 per annum from July 1, 2024 to August 28, 2024.

The remuneration of Dr. Debra Yu, independent non-executive Director and chairman of the Business Development and Strategy Committee, will be USD60,000 per annum from July 1, 2024 to July 30, 2024.

(ii) the remuneration of any independent non-executive Directors of the Company who also serves as chairman of two committees of the Company will be USD65,000 per annum:

The remuneration of Mr. Kin Cheong Kelvin Ho, independent non-executive Director, chairman of the Nomination Committee and who has been redesignated as chairman of the Audit Committee with effect from August 28, 2024, will be USD65,000 per annum from August 28, 2024.

The remuneration of Dr. Debra Yu, independent non-executive Director, chairman of the Business Development and Strategy Committee and who has been appointed as chairman of the Remuneration Committee on July 31, 2024, will be USD65,000 per annum from July 31, 2024.

Save as disclosed above, there is no other information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries have purchased, redeemed or sold any of the Company's listed securities (including sale of treasury shares) during the six months ended June 30, 2024. As of June 30, 2024, the Company did not hold any treasury shares of the Company.

USE OF NET PROCEEDS FROM LISTING

Our shares were listed on the main board of the Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on November 3, 2020. The Group received net proceeds (after deducting the underwriting fees and related costs and expenses) from the issue of new shares by the Company in its Listing and the subsequent over-allotment option partially exercised by the Joint Global Coordinators approximately HKD2,495.8 million.

Details of the planned applications of the net proceeds from the Global Offering were disclosed in the Prospectus and subsequently revised and disclosed in the 2023 annual report of the Company dated March 20, 2024. For further details and reasons for such changes, please refer to the 2023 annual report of the Company. The table below sets out the revised planned applications of the net proceeds and the actual usage up to June 30, 2024:

Revised Intended Applications	Revised amount of Unutilized Net Proceeds as of December 31, 2023 *(HKD million)*	Revised percentage of Unutilized Net Proceeds	Net Proceeds brought forward for the Reporting Period *(HKD million)*	Actual usage up to June 30, 2024 *(HKD million)*	Unutilized Net Proceeds as of June 30, 2024 *(HKD million)*
Research and development activities relating to treatment of hematologic malignancies (including treatment of first-line and second-line LBCL, r/r FL, MCL, ALL, and other programs initiated by the Company using relma-cel)	200.00	24.53%	200.00	123.00	77.00
Research and development activities relating to treatment of solid tumors (including treatment of various solid tumors targeting MAGE-A4 (including JWTCR001), treatment of SCLC and other programs initiated by the Company targeting DLL3 (including JWCAR031), and treatment of HCC and other programs initiated by the Company targeting GPC3 (including JWATM204/JWATM214))	100.00	12.27%	100.00	32.73	67.27
Research and development activities relating to treatment of autoimmune diseases (including treatment of SLE and other programs initiated by the Company using relma-cel)	240.00	29.44%	240.00	27.59	212.41
Potential collaborations, acquisitions and in licensing opportunities (including potential future collaboration with Acepodia)	100.00	12.27%	100.00	—	100.00
Developing and upgrading technologies, manufacturing platform capabilities and developing new therapy areas	95.00	11.65%	95.00	—	95.00
Working capital and general corporate purposes	80.19	9.84%	80.19	34.17	46.02
Total	815.19	100.00%	815.19	217.49	597.70

As of June 30, 2024, unutilized net proceeds from the issue of new shares by the Company in its Listing (including the partial exercise of the over-allotment option by the Joint Global Coordinators) amounted to HKD597.70 million and are expected to be fully utilized by the end of 2025. The expected timeline for utilizing the remaining proceeds is based on the best estimation of the future market conditions made by the Group. It will be subject to change based on the current and future development of market conditions.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at June 30, 2024, the interests and short positions of the Directors and the chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which had been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have taken under such provisions of the SFO), or which were recorded in the register required to be kept pursuant to section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

Interest in Shares and underlying Shares

Name of Director	Capacity/nature of interest	Number of shares/ underlying shares	Approximate Percentage of Shareholding in the Company[2]	Long position/ Short position/ Lending pool
Dr. Li[1]	Beneficial interest	18,623,515	4.49%	Long position
	Interest in controlled corporation	9,206,460	2.22%	Long position
Mr. Liu Cheng	Beneficial interest	5,764,582	1.39%	Long position

Notes:

(1) Dr. Li held (i) 7,500,000 Shares through his direct interests in JDI Capital Management Limited and (ii) 1,706,460 Shares through his indirect interests in Park Place Capital Management & Consulting Limited. Park Place Capital Management & Consulting Limited is wholly-owned by JDI Capital Management Limited which in turn is wholly-owned by Dr. Li.

As at June 30, 2024, Dr. Li is interested in a total of 18,623,515 underlying Shares in the Company, which comprises 14,605,766 Restricted Share Units granted to him pursuant to the Restricted Share Unit Scheme and 4,017,749 share options granted to him pursuant to the Post-IPO Incentivization Scheme.

Accordingly, Dr. Li is interested in an aggregate of 27,829,975 Shares in the Company.

(2) The calculation is based on the total number of 415,067,188 Shares in issue as at June 30, 2024.

Save as disclosed above, as at June 30, 2024, none of the Directors or the chief executive of the Company had or was deemed to have any interest or short position in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) that was required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have taken under such provisions of the SFO), or required to be recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as otherwise disclosed in this report, at no time during the Reporting Period was the Company or any of its subsidiaries a party to any arrangement that would enable the Directors to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate, and none of the Directors or any of their spouses or children under the age of 18 were granted any right to subscribe for the equity or debt securities of the Company or any other body corporate or had exercised any such right.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at June 30, 2024, to the best knowledge of the Directors, the following persons (not being a Director or chief executive of the Company) had interests or short positions in the Shares or underlying Shares which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

Name of Shareholder	Capacity/Nature of interest	Number of Shares/ underlying Shares	Approximate Percentage of Shareholding in the Company[2]	Long Position/ Short Position/ Lending Pool
Juno[1]	Beneficial interest	70,231,140	16.92%	Long position
Celgene Corporation[1]	Interest in controlled corporation	70,231,140	16.92%	Long position
BMS[1]	Interest in controlled corporation	70,231,140	16,92%	Long position

Notes:

(1) As at June 30, 2024, Juno directly held 70,231,140 Shares. Pursuant to the BCMA License Agreement, the 4,665,530 Juno Settlement Shares may be issued to Juno upon exercise of the second warrant as part of the second upfront payment in relation to Juno's orva-cel. In February 2021, BMS announced that it would discontinue clinical development of orva-cel and therefore, the 4,665,530 Juno Settlement Shares shall no longer be issued to Juno. Juno is wholly-owned by Celgene which is in turn wholly-owned by BMS. As such, under the SFO, BMS (through its interest in a controlled corporation) is deemed to be interested in 70,231,140 Shares held by Juno.

(2) The calculation is based on the total number of 415,067,188 Shares in issue as at June 30, 2024.

Save as disclosed above, as at June 30, 2024, the Directors were not aware of any persons (who were not Directors or chief executive of the Company) who had an interest or short position in the Shares or underlying Shares of the Company which would fall to be disclosed under Divisions 2 and 3 of Part XV of the SFO, or which would be required, pursuant to Section 336 of the SFO, to be entered in the register referred to therein.

SHARE INCENTIVIZATION SCHEMES

Pre-IPO Incentivization Scheme

Our Company adopted the Pre-IPO Incentivization Scheme on September 4, 2019. The purpose of the Pre-IPO Incentivization Scheme is to attract, retain and motivate employees, Directors and such other eligible persons and to provide a means of compensating them through the grant of options for their contribution to the growth and profits of the Group, and to allow such employees, directors and other persons to participate in the growth and profitability of the Group.

Options granted generally vest over a four-year period from the date of grant. There are two types of vesting schedules: (i) with 30% of total options vesting on the second anniversary of the vesting commencement date and the remaining 30% and 40% shall vest on the third anniversary and fourth anniversary of the vesting commencement date, respectively; and (ii) with 25% of total options vesting on the first anniversary of the vesting commencement date and the remaining 25%, 25% and 25% shall vest on the second anniversary, third anniversary and fourth anniversary of the vesting commencement date, respectively.

The options under the Pre-IPO Incentivization Scheme were granted to the grantees at nil consideration. An option may be exercised in accordance with the terms of the Pre-IPO Incentivization Scheme at any time for a period of 10 years after the date of grant of the option for each corresponding grantee as set out in their respective offer letters.

As of January 1, 2024 and June 30, 2024, the total number of share options available for grant under the scheme mandates of the Pre-IPO Incentivization Scheme was 1,438,704. The Pre-IPO Incentivization Scheme does not have a service provider sublimit.

The Pre-IPO Incentivization Scheme has a remaining term of approximately four years and six months as of the date of this report.

Details of options granted under the Pre-IPO Incentivization Scheme during the Reporting Period is as follows:

Name of Participant or Category of Participant	Date of grant	Number of outstanding options held at January 1, 2024	Number of options granted	Number of options lapsed	Number of options cancelled	Number of options exercised	Number of outstanding options held at June 30, 2024	Exercise Period[1]	Vesting Period[2]	Exercise Price *(HKD)*	Weighted average closing price of the shares immediately before the dates on which the options were exercised *(HKD)*	Fair value of options at the date of grant *(USD)*
Other employee participants	04-09-2019	1,195,380	–	–	–	380,210	815,170	10 years	4 years	0.775	–	0.63
	04-09-2019	382,370	–	–	–	–	382,370	10 years	4 years	5.07625	–	0.33
	30-06-2020	771,550	–	2,250	–	83,260	686,040	10 years	4 years	0.000775	1.83	1.92
	10-09-2020	1,122,943	–	–	–	1,004,963	117,980	10 years	4 years	0.000078	–	2.43
Other Related Entity Participants						N/A						
Other Service Providers						N/A						

Notes:

(1) An option may be exercised in accordance with the terms of the Pre-IPO Incentivization Scheme at any time for a period of 10 years from the date of grant for each corresponding grantee as set out in their respective offer letters.

(2) Options granted generally vest over a four-year period from the date of grant. The options shall vest in accordance with either of these vesting schedules: (i) with 30% of total options shall vest on the second anniversary of the vesting commencement date and the remaining 30% and 40% shall vest on the third anniversary and fourth anniversary of the vesting commencement date, respectively; or (ii) with 25% of total options shall vest on the first anniversary of the vesting commencement date and the remaining 25%, 25% and 25% shall vest on the second anniversary, third anniversary and fourth anniversary of the vesting commencement date, respectively.

(3) All options granted under the Pre-IPO Incentivization Scheme were not subject to any performance targets.

(4) The options under the Pre-IPO Incentivization Scheme were granted to the grantees at nil consideration.

(5) The closing price of the Shares immediately before the dates on which the options were granted was not applicable as the Company was not yet listed on the dates of grant.

(6) During the Reporting Period, the number of Shares that may be issued in respect of the options granted under the Pre-IPO Incentivization Scheme divided by the weighted average number of total Shares in issue was approximately 0.35%.

(7) For details of the basis of measurement for the fair value of options granted, please refer to note 20 headed "Share-based payments" of the consolidated financial statements.

Post-IPO Incentivization Scheme

Our Company adopted the Post-IPO Incentivization Scheme on October 14, 2020. The purpose of the Post-IPO Incentivization Scheme is to enable our Group to grant options to selected participants as incentives or rewards for their contribution to our Group.

Options granted generally vest over a four-year period from the date of grant. There are two types of vesting schedules: (i) with 30% of total options vesting on the second anniversary of the vesting commencement date and the remaining 30% and 40% shall vest on the third anniversary and fourth anniversary of the vesting commencement date, respectively; and (ii) with 25% of total options vesting on the first anniversary of the vesting commencement date and the remaining 25%, 25% and 25% shall vest on the second anniversary, third anniversary and fourth anniversary of the vesting commencement date, respectively.

The options under the Post-IPO Incentivization Scheme were granted to the grantees at nil consideration. An option may be exercised in accordance with the terms of the Post-IPO Incentivization Scheme at any time for a period of ten years after the date of grant of the option for each corresponding grantee as set out in their respective offer letters.

As of January 1, 2024 and June 30, 2024, the total number of share options available for grant under the scheme mandates of the Post-IPO Incentivization Scheme was 25,192,815. The Post-IPO Incentivization Scheme does not have a service provider sublimit.

The Post-IPO Incentivization Scheme has a remaining term of approximately four years and six months as of the date of this report.

Details of options granted under the Post-IPO Incentivization Scheme during the Reporting Period is as follows:

Name of Participant or Category of Participant	Date of grant	Closing price of shares immediately before the date on which the options were granted (HKD)	Number of outstanding options held at January 1, 2024	Number of options granted	Number of options lapsed	Number of options cancelled	Number of options exercised	Number of outstanding options held at June 30, 2024	Exercise Period[1]	Vesting Period	Exercise Price (HKD)	Weighted average closing price of the shares immediately before the dates on which the options were exercised (HKD)	Fair value of options at the date of grant (HKD)
Director													
Dr. Li, Chairman and non-executive Director	30–09–2021	14.74	4,017,749	–	–	–	–	4,017,749	10 years	4 years[2]	–	1.83	6.928
Other employee participants	30–09–2021	14.74	1,970,216	–	54,140	–	–	1,916,076	10 years	4 years[2]	16.2	1.88	6.928/7.336
	17–12–2021	11.36	277,471	–	13,897	–	–	263,574	10 years	4 years[3]	11.992	–	5.472/5.779
	24–06–2022	8.26	1,790,857	–	35,567	–	–	1,755,290	10 years	4 years[2]	8.94	2.03	4.588/4.818
	29–09–2022	3.25	660,001	–	457,334	–	–	202,667	10 years	4 years[3]	3.31	1.83	1.578/1.676
	16–12–2022	4.34	41,667	–	–	–	–	41,667	10 years	4 years[3]	4.83	–	2.058/2.194
	29–08–2023	6.35	1,467,845	–	580,127	–	–	887,718	10 years	4 years[2][5]	2.46	–	1.54/1.57
Other Related Entity Participants							N/A						
Other Service Providers							N/A						

Notes:

(1) An option may be exercised in accordance with the terms of the Post-IPO Incentivization Scheme at any time for a period of ten years after the date of grant of the option for each corresponding grantee as set out in their respective offer letters.

(2) Options granted generally vest over a four-year period from the date of grant. The options shall vest in accordance with either of these vesting schedules: (i) with 30% of total options shall vest on the second anniversary of the vesting commencement date and the remaining 30% and 40% shall vest on the third anniversary and fourth anniversary of the vesting commencement date, respectively; or (ii) with 25% of total options shall vest on the first anniversary of the vesting commencement date and the remaining 25%, 25% and 25% shall vest on the second anniversary, third anniversary and fourth anniversary of the vesting commencement date, respectively.

(3) Options granted generally vest over a four-year period from the date of grant, with 30% of total options shall vest on the second anniversary of the vesting commencement date and the remaining 30% and 40% shall vest on the third anniversary and fourth anniversary of the vesting commencement date, respectively.

(4) All options granted under the Post-IPO Incentivization Scheme prior to August 29, 2023 were not subject to any performance targets.

(5) The vesting of the options granted to other employee participants (the "**Grantees**") on August 29, 2023 is conditional upon the Grantees having fulfilled certain performance targets and other requirements as set out in the option letters entered into between the Company and the Grantees. Such performance targets include the Grantees' individual appraisal results with respect to the relevant vesting period. The options granted will only be vested if the Grantee passes his or her respective performance evaluation for the fiscal year preceding the corresponding vesting period. If the Grantee fails to achieve, the unvested options of the corresponding vesting period shall automatically lapse.

(6) During the Reporting Period, the number of Shares that may be issued in respect of options granted under the Post-IPO Incentivization Scheme divided by the weighted average number of total Shares in issue was approximately 6.10%.

(7) During the Reporting Period, no grants were made to any eligible participants of the Post-IPO Incentivization Scheme with options granted or to be granted in excess of the 1% individual limit and no grants were made to any related entity participants or service providers with options granted or to be granted in any 12-month period exceeding 0.1% of the relevant class of shares in issue (excluding treasury shares) of the Company.

(8) For details of the basis of measurement for the fair value of options granted, please refer to note 20 headed "Share-based payments" of the consolidated financial statements.

Pre-IPO Restricted Share Unit Scheme and Post-IPO Restricted Share Unit Scheme (the "Restricted Share Unit Schemes")

Our Company adopted the Pre-IPO Restricted Share Unit Scheme on September 4, 2019 and the Post-IPO Restricted Share Unit Scheme on October 14, 2020. The purpose of the Restricted Share Unit Schemes is to attract, retain and motivate employees, Directors and such other eligible persons and to provide a means of compensating them through the grant of RSUs for their contribution to the growth and profits of the Group, and to allow such employees, directors and other persons to participate in the growth and profitability of the Group.

RSUs granted generally vest over a four-year period from the date of grant. There are two types of vesting schedules: (i) with 30% of total options vesting on the second anniversary of the vesting commencement date and the remaining 30% and 40% shall vest on the third anniversary and fourth anniversary of the vesting commencement date, respectively; and (ii) with 25% of total options vesting on the first anniversary of the vesting commencement date and the remaining 25%, 25% and 25% shall vest on the second anniversary, third anniversary and fourth anniversary of the vesting commencement date, respectively. The RSUs under the Restricted Share Unit Schemes were granted to the grantees at nil consideration and were or will be transferred to the grantees upon vesting at nil consideration.

As of January 1, 2024 and June 30, 2024, the total number of RSUs available for grant under the Pre-IPO Restricted Share Unit Scheme and the Post-IPO Restricted Share Unit Scheme was 1,438,704 and 1,065,262, respectively.

The Restricted Share Unit Schemes will remain in force for a period of ten years unless terminated sooner, and has a remaining term of approximately four years and six months as of the date of this report.

Details of RSUs granted under the Pre-IPO Restricted Share Unit Scheme during the Reporting Period are as follows:

Name of Participant or Category of Participant	Date of grant	Number of outstanding RSUs held at January 1, 2024	Number of RSUs granted	Number of RSUs lapsed	Number of RSUs cancelled	Number of RSUs vested	Number of outstanding RSUs held at June 30, 2024	Exercise Period[4]	Vesting Period[2]	Purchase Price	Weighted average closing price of the shares immediately before the dates on which the RSUs were vested *(HKD)*	Fair value of RSUs at the date of grant *(USD)*
Directors												
Dr. Li, Chairman and non-executive Director	30-06-2020	761,440	–	–	–	761,440	–	N/A	4 years	Nil	1.83	1.92
Other employee participants	30-06-2020	341,950	–	–	–	332,410	9,540	N/A	4 years	Nil	1.83	1.92
	10-09-2020	241,225	–	39,104	–	–	202,121	N/A	4 years	Nil	1.83	2.43
Other Related Entity Participants						N/A						
Other Service Providers						N/A						

Notes:

(1) The closing prices of Shares immediately before the dates on which the RSUs were granted under the Pre-IPO Restricted Share Unit Scheme was not applicable as the Company was not yet listed on the dates of grant.

(2) RSUs granted generally vest over a four-year period from the date of grant. The RSUs shall vest in accordance with either of these vesting schedules: (i) with 30% of total options shall vest on the second anniversary of the vesting commencement date and the remaining 30% and 40% shall vest on the third anniversary and fourth anniversary of the vesting commencement date, respectively; or (ii) with 25% of total options shall vest on the first anniversary of the vesting commencement date and the remaining 25%, 25% and 25% shall vest on the second anniversary, third anniversary and fourth anniversary of the vesting commencement date, respectively.

(3) All RSUs granted under the Pre-IPO Restricted Share Unit Scheme were not subject to any performance targets.

(4) Exercise period is not applicable to RSUs.

(5) During the Reporting Period, the number of Shares that may be issued in respect of RSUs granted under the Pre-IPO Restricted Share Unit Scheme divided by the weighted average number of total Shares in issue was approximately 0.35%.

(6) For details of the basis of measurement for the fair value of RSUs granted, please refer to note 20 headed "Share based payments" of the consolidated financial statements.

Details of RSUs granted under the Post-IPO Restricted Share Unit Scheme during the Reporting Period is as follows:

Name of Participant or Category of Participant	Date of grant	Closing price of shares immediately before the date on which the RSUs were granted *(HKD)*	Number of outstanding RSUs held at January 1, 2024	Number of RSUs granted	Number of RSUs lapsed	Number of RSUs cancelled	Number of RSUs vested	Number of outstanding RSUs held at June 30, 2024	Exercise Period[7]	Vesting Period	Purchase price	Weighted average closing price of the shares immediately before the dates on which the RSUs were vested *(HKD)*	Fair value of RSUs at the date of grant *(HKD)*
Director													
Dr. Li, Chairman and non-executive Director	30-09-2021	14.74	1,008,574	–	–	–	504,287	504,287	N/A	4 years[1]	Nil	1.83	14.92
Other employee participants	30-09-2021	14.74	617,719	–	36,987	–	229,302	351,430	N/A	4 years[1]	Nil	1.87	14.92
	17-12-2021	11.36	83,164	–	13,897	–	–	69,267	N/A	4 years[2]	Nil	–	11.48
	24-06-2022	8.26	984,890	–	40,504	–	307,138	637,248	N/A	4 years[1]	Nil	2.02	8.94
	29-09-2022	3.25	360,001	–	247,334	–	108,000	4,667	N/A	4 years[2]	Nil	1.83	3.18
	16-12-2022	4.34	36,667	–	–	–	–	36,667	N/A	4 years[2]	Nil	–	4.25
	29-08-2023	6.35	890,918	–	310,555	–	–	580,363	N/A	4 years[1][4]	Nil	–	2.46
Other Related Entity Participants							N/A						
Other Service Providers							N/A						

Notes:

(1) RSUs granted generally vest over a four-year period from the date of grant. The RSUs shall vest in accordance with either of these vesting schedules: (i) with 30% of total options shall vest on the second anniversary of the vesting commencement date and the remaining 30% and 40% shall vest on the third anniversary and fourth anniversary of the vesting commencement date, respectively; or (ii) with 25% of total options shall vest on the first anniversary of the vesting commencement date and the remaining 25%, 25% and 25% shall vest on the second anniversary, third anniversary and fourth anniversary of the vesting commencement date, respectively.

(2) RSUs granted generally vest over a four-year period from the date of grant, with 30% of total options shall vest on the second anniversary of the vesting commencement date and the remaining 30% and 40% shall vest on the third anniversary and fourth anniversary of the vesting commencement date, respectively.

(3) All RSUs granted under the Post-IPO Restricted Share Unit Scheme prior to August 29, 2023 were not subject to any performance targets.

(4) The vesting of the RSUs granted to the other employee participants (the "**Grantees**") on August 29, 2023 is conditional upon the Grantees having fulfilled certain performance targets and other requirements as set out in the award agreements entered into between the Company and the Grantees. Such performance targets include the Grantees' individual appraisal results with respect to the relevant vesting period. The RSUs will only be vested if the Grantee passes his or her respective performance evaluation for the fiscal year preceding the corresponding vesting period. If the Grantee fails to achieve, the unvested RSUs of the corresponding vesting period shall automatically lapse.

(5) During the Reporting Period, the number of Shares that may be issued in respect of RSUs granted under the Post-IPO Restricted Share Unit Scheme divided by the weighted average number of total Shares in issue was approximately 0.26%.

(6) During the Reporting Period, no grants were made to any eligible participants of the Post-IPO Restricted Share Unit Scheme with RSUs granted or to be granted in excess of the 1% individual limit and no grants were made to any related entity participants or service providers with RSUs granted or to be granted in any 12-month period exceeding 0.1% of the relevant class of shares in issue (excluding treasury shares) of the Company.

(7) Exercise period is not applicable to RSUs.

(8) For details of the basis of measurement for the fair value of RSUs granted, please refer to note 20 headed "Share-based payments" of the consolidated financial statements.

SIGNIFICANT LEGAL PROCEEDINGS

For the six months ended June 30, 2024, the Company has not engaged in any litigation or arbitration of material importance and no litigation or claim of material importance is known to the Directors to be pending or threatening against the Company.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed in this report, the Group does not have other future plans for material investments and capital assets at present.

Condensed Consolidated Statement of Profit or Loss

For the six months ended June 30,2024

	Note	Six months ended June 30, 2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Revenue	6	**86,815**	87,740
Cost of sales	9	**(43,070)**	(42,927)
Gross profit		**43,745**	44,813
Other income	7	**1,884**	1,836
Other losses — net	8	**(6,729)**	(81,176)
Selling expenses	9	**(76,172)**	(60,168)
General and administrative expenses	9	**(59,233)**	(78,694)
Research and development expenses	9	**(151,008)**	(216,531)
Operating loss		**(247,513)**	(389,920)
Finance income	10	**13,299**	15,088
Finance costs	10	**(6,053)**	(5,583)
Finance income — net	10	**7,246**	9,505
Loss before income tax		**(240,267)**	(380,415)
Income tax expense	11	**—**	—
Loss for the period and attribute to the equity holders of the Company		**(240,267)**	(380,415)
Loss per share for the loss attributable to owners of the Company			
— Basic and diluted *(in RMB)*	12	**(0.58)**	(0.93)

The above consolidated statement of profit or loss should be read in conjunction with the accompanying notes.

Condensed Consolidated Statement of Comprehensive Loss

For the six months ended June 30, 2024

	Six months ended June 30,	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Loss for the period	**(240,267)**	(380,415)
Other comprehensive income:		
Items that will not be reclassified to profit or loss		
— Exchange differences on translation	**19,548**	134,570
Other comprehensive income for the period, net of tax	**19,548**	134,570
Total comprehensive loss for the period and attribute to the equity holders of the Company	**(220,719)**	(245,845)

Condensed Consolidated Balance Sheet

As at June 30, 2024

	Note	As at June 30, 2024 RMB'000 (Unaudited)	As at December 31, 2023 RMB'000 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	*13*	**257,284**	285,331
Right-of-use assets		**47,302**	55,800
Intangible assets	*14*	**717,138**	711,215
Prepayment for license	*15*	**7,127**	7,083
Other non-current assets	*17*	**6,604**	19,184
Total non-current assets		**1,035,455**	1,078,613
Current assets			
Inventories	*16*	**50,607**	34,778
Other current assets		**12,704**	9,928
Other receivables and prepayments		**12,021**	16,869
Cash and cash equivalents		**869,034**	1,005,909
Total current assets		**944,366**	1,067,484
Total assets		**1,979,821**	2,146,097

Condensed Consolidated Balance Sheet

As at June 30, 2024

	Note	As at June 30, 2024 RMB'000 (Unaudited)	As at December 31, 2023 RMB'000 (Audited)
EQUITY			
Equity attribute to the owners of the Company			
Share capital	*18*	**27**	27
Reserves	*19*	**6,687,518**	6,649,145
Accumulated losses		**(5,205,601)**	(4,965,334)
Total equity		**1,481,944**	1,683,838
LIABILITIES			
Non-current liabilities			
Borrowings	*23*	**141,100**	157,500
Lease liabilities		**33,351**	40,290
Total non-current liabilities		**174,451**	197,790
Current liabilities			
Lease liabilities		**13,583**	16,005
Borrowings	*23*	**192,500**	105,000
Trade and other payables	*22*	**91,448**	109,085
Contract liability	*6*	**23,158**	30,424
Other current liabilities		**2,737**	3,955
Total current liabilities		**323,426**	264,469
Total liabilities		**497,877**	462,259
Total equity and liabilities		**1,979,821**	2,146,097

Condensed Consolidated Statement of Changes in Equity

For the six months ended June 30, 2024

	Note	Attributable to equity holders of the Company			
		Share capital RMB'000	Reserves RMB'000	Accumulated losses RMB'000	Total RMB'000
Balance at January 1, 2023		27	6,551,595	(4,197,338)	2,354,284
Loss for the period		—	—	(380,415)	(380,415)
Other comprehensive income		—	134,570	—	134,570
Total comprehensive income/ (loss)		—	134,570	(380,415)	(245,845)
Transactions with owners					
Issuance of ordinary shares		—	27	—	27
Share-based compensation expenses		—	31,954	—	31,954
Total transactions with owners		—	31,981	—	31,981
Balance at June 30, 2023 (Unaudited)		27	6,718,146	(4,577,753)	2,140,420
Balance at January 1, 2024		**27**	**6,649,145**	**(4,965,334)**	**1,683,838**
Loss for the period		**—**	**—**	**(240,267)**	**(240,267)**
Other comprehensive income		**—**	**19,548**	**—**	**19,548**
Total comprehensive income/ (loss)		**—**	**19,548**	**(240,267)**	**(220,719)**
Transactions with owners					
Issuance of ordinary shares		**—**	**268**	**—**	**268**
Share-based compensation expenses		**—**	**18,557**	**—**	**18,557**
Total transactions with owners		**—**	**18,825**	**—**	**18,825**
Balance at June 30, 2024 (Unaudited)		**27**	**6,687,518**	**(5,205,601)**	**1,481,944**

Condensed Consolidated Statement of Cash Flows

For the six months ended June 30, 2024

	Note	Six months ended June 30, 2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Cash flows used in operating activities			
Cash used in operations		**(201,503)**	(252,833)
Interest received		**13,299**	14,803
Net cash used in operating activities		**(188,204)**	(238,030)
Cash flows used in investing activities			
Purchases of property, plant and equipment		**(2,869)**	(6,761)
Purchases of intangible assets		**(10,075)**	(122)
Repayment of fundings from related party		**—**	23,552
Repayment of interest from related party		**—**	848
Net cash (used in)/generated from investing activities		**(12,944)**	17,517
Cash flows used in financing activities			
Proceeds from issuance of ordinary shares		**268**	27
Payment of lease liabilities		**(8,292)**	(8,047)
Interest paid for lease liabilities		**(1,069)**	(1,102)
Repayments of bank borrowings		**(63,900)**	(27,500)
Proceeds from bank borrowings		**135,000**	130,000
Interest paid for bank borrowings		**(4,955)**	(4,481)
Net cash generated from financing activities		**57,052**	88,897
Net decrease in cash and cash equivalents		**(144,096)**	(131,616)
Cash and cash equivalents at beginning of the period		**1,005,909**	1,383,336
Exchange gain on cash and cash equivalents		**7,221**	21,173
Cash and cash equivalents at end of the period		**869,034**	1,272,893

1 GENERAL INFORMATION

JW (Cayman) Therapeutics Co. Ltd (the "**Company**") was incorporated in the Cayman Islands, with its registered office situate at the offices of Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands, on September 6, 2017 as an exempted company with limited liability.

The Company and its subsidiaries, hereinafter collectively referred to as the "**Group**" are primarily engaged in research and development ("**R&D**"), manufacturing, and marketing of cellular immunotherapy products in the People's Republic of China (the "**PRC**").

The Company's shares began to list on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on November 3, 2020 (the "**Listing**").

The consolidated financial statements are presented in thousands of Renminbi ("**RMB'000**"), unless otherwise stated.

These consolidated financial statements have been approved by the Directors on August 28, 2024.

The condensed interim financial information has been reviewed, but not audited.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES

2.1 Basis of preparation

This condensed interim financial information for the six months ended June 30, 2024 has been prepared in accordance with International Accounting Standard ("**IAS**") 34, "Interim Financial Reporting" issued by the International Accounting Standards Board ("**IASB**"). This Condensed Interim Financial Information should be read in conjunction with the annual financial statements for the year ended December 31, 2023, which have been prepared in accordance with IFRS Accounting Standards issued by International Accounting Standards Board ("**IASB**") and the disclosure requirements of the Hong Kong Companies Ordinance Cap. 622 ("**HKCO**").

The consolidated financial statements have been prepared under the historical cost convention.

Except as described below and for the estimation of income tax using the tax rate that would be applicable to expected total annual earning, the material accounting policy information and methods of computation used in the preparation of the Condensed Interim Financial Information are consistent with the 2023 Annual Financial Statements.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.2 New standards, amendments and interpretation adopted by the Group

A number of new standards, amendments and interpretation became applicable for the current reporting period and the Group changed its accounting policies and make adjustments as a result of adopting these new standards, amendments and interpretation set out below:

- Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants — Amendments to IAS 1;
- Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause — IAS Int 5 (Revised); and
- Supplier Finance Arrangements — Amendments to IAS 7 and IFRS 7.

The adoption of the above new standards, amendments and interpretation to existing standards do not have a material impact on the Group.

2.3 New standards and interpretations not yet adopted

Certain new accounting standard, amendments and interpretation have been published but are not mandatory for the financial year beginning January 1, 2024 and have not been early adopted by the Group. These new accounting standard, amendments and interpretation are not expected to have a material impact on the Group's financial statements when they become effective.

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, cashflow and fair value interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

The interim condensed consolidated financial information does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the 2023 Annual Financial Statements.

There have been no changes in the risk management policies since December 31, 2023.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim condensed consolidated financial information, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the 2023 Annual Financial Statements.

5 SEGMENT INFORMATION

The Group's business activities are regularly reviewed and evaluated by the chief operating decision-makers.

As a result of this evaluation, the executive directors of the Group consider that the Group's operations are operated and managed as a single reportable segment. Since this is the only reportable operating segment of the Group, no further operating segment analysis thereof is presented.

6 REVENUE

	Six months ended June 30,	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Revenue from sales of goods — at point in time	**86,815**	87,740

The Group recognized the following liabilities related to the contracts with customers:

	As at June 30, 2024	As at December 31, 2023
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Contract liabilities	**23,158**	30,424

Contract liabilities represent advance from customers and are recognized when payments are received before the control of goods is transferred to the customer.

7 OTHER INCOME

	Six months ended June 30,	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Government grants — cost related *(Note)*	**1,884**	1,836

Note: The government grants and subsidies related to funding received to compensate for the Group's research and development expenses. Some of the grants received are related to future costs expected to be incurred and require the Group to comply with conditions attached to the grants and the government to acknowledge the compliance of these conditions. When the required conditions set by the government for such grants are met, the proportion of the qualified funds is recognized as "Other income" and the remaining balance is recorded as "Trade and other payables — deferred income".

8 OTHER LOSSES — NET

	Six months ended June 30,	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Net foreign exchange loss	**(6,998)**	(81,389)
Others	**269**	213
Total	**(6,729)**	(81,176)

9 EXPENSES BY NATURE

	Six months ended June 30,	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Employee benefit expenses (including directors' emoluments)	**127,261**	173,387
Business promotion fee	**50,555**	26,800
Materials and consumables	**37,472**	63,646
Testing and clinical expenses	**29,703**	38,568
Depreciation of property, plant and equipment *(Note 13)*	**28,185**	31,038
Professional service expenses	**15,703**	16,989
Office expenses	**11,116**	14,349
Depreciation-right of use assets	**8,242**	8,198
Amortization of license *(Note 14)*	**6,384**	5,896
Royalty fee	**5,209**	5,263
Amortization of other intangible assets *(Note 14)*	**3,038**	2,942
Short term lease and low value lease expenses	**1,425**	3,307
Auditors' remuneration-audit service	**556**	555
Other expenses	**4,634**	7,382
Total cost of sales, selling expenses, general and administrative expenses and research and development expenses	**329,483**	398,320

10 FINANCE INCOME — NET

	Six months ended June 30,	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Finance income:		
Interest income on bank deposits	**13,299**	15,088
Total finance income	**13,299**	15,088
Finance costs		
Interest expense on bank borrowings	**(4,984)**	(4,481)
Interest expense on lease liabilities	**(1,069)**	(1,102)
Total finance costs	**(6,053)**	(5,583)
Finance income — net	**7,246**	9,505

11 INCOME TAX EXPENSE

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

(a) Cayman Islands income tax

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands. There is no income tax in the Cayman Islands and accordingly, the operating results reported by the Company, is not subject to any income tax in the Cayman Islands.

(b) Hong Kong income tax

No provision for Hong Kong profits tax has been provided for at the rate of 16.5% as the Company has no estimated assessable profit.

(c) United States of America income tax

Entities in the State of Delaware are subject to Federal Tax at a rate of 21% and State of Delaware Profits Tax at a rate of 8.7%. Operations in the United States of America have incurred net accumulated operating losses for income tax purposes and no income tax provisions are recorded during the period ended June 30, 2024 and year ended December 31, 2023.

(d) The PRC corporate income tax

Subsidiaries in Mainland China are subject to income tax at a rate of 25% pursuant to the Corporate Income Tax Law of the PRC and the respective regulations (the "**CIT Law**"), with the exception of JW Shanghai obtained its High-Tech Enterprise status in year 2022 and hence is entitled to a preferential tax rate of 15% for a three-year period commencing 2022.

No provision for Mainland China corporate income tax was provided for, as there's no assessable profit.

11 INCOME TAX EXPENSE (Continued)

(d) The PRC corporate income tax (Continued)

The taxation of the Group's profit before taxation differs from the theoretical amount that would arise using the rates prevailing in the jurisdictions in which the Group operates as follows:

	Six months ended June 30,	
	2024	2023
	RMB'000	*RMB'000*
Loss before income tax	**(240,267)**	(380,415)
Tax calculated at applicable tax rate of 25%	**(60,067)**	(95,104)
Effect of different tax rate	**20,747**	35,371
Expenses not deductible for taxation purposes	**3,341**	5,207
Super deduction in respect of research and development expenditures	**(22,851)**	(25,355)
Utilization of previously unrecognized tax loss	**—**	(3,446)
Tax loss not recognized as deferred tax assets	**58,830**	83,327
Income tax expense	**—**	—

12 LOSS PER SHARE

(a) Basic loss per share

Basic loss per share is calculated by dividing the loss of the Group attribute to owners of the Company by weighted average number of ordinary shares issued during the period.

	Six months ended June 30,	
	2024	2023
	(Unaudited)	(Unaudited)
Loss attributable to the ordinary equity holders of the Company *(RMB'000)*	**(240,267)**	(380,415)
Weighted average number of ordinary shares in issue *(in thousand)*	**413,083**	411,127
Basic loss per share *(RMB)*	**(0.58)**	(0.93)

(b) Diluted loss per share

Diluted loss per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

For the six months ended June 30, 2024, the Company had one category of potential ordinary shares: the stock options granted to employees (June 30, 2023: one category of potential ordinary shares: the stock options granted to employees). As the Group incurred losses for the six months ended June 30, 2023 and 2024, the potential ordinary shares were not included in the calculation of diluted loss per share as their inclusion would be anti-dilutive. Accordingly, diluted loss per share for the six months ended June 30, 2024 and 2023 are the same as basic loss per share.

13 PROPERTY, PLANT AND EQUIPMENT

	Machinery *RMB'000*	Electronic equipment *RMB'000*	Leasehold Improvements *RMB'000*	Construction in progress *RMB'000*	Total *RMB'000*
Six months ended June 30, 2023 (Unaudited)					
Opening net book amount	117,174	18,390	179,648	32,895	348,107
Additions	—	—	214	1,608	1,822
Transfer	27,170	407	1,434	(29,011)	—
Depreciation charges	(12,071)	(2,603)	(17,746)	—	(32,420)
Closing net book amount	132,273	16,194	163,550	5,492	317,509
As at June 30, 2023 (Unaudited)					
Cost	183,461	33,433	236,305	5,492	458,691
Accumulated depreciation	(51,188)	(17,239)	(72,755)	—	(141,182)
Net book amount	132,273	16,194	163,550	5,492	317,509
Six months ended June 30, 2024 (Unaudited)					
Opening net book amount	**120,912**	**13,806**	**149,764**	**849**	**285,331**
Additions	**—**	**—**	**264**	**899**	**1,163**
Transfer	**116**	**387**	**17**	**(520)**	**—**
Depreciation charges	**(11,165)**	**(1,685)**	**(16,360)**	**—**	**(29,210)**
Closing net book amount	**109,863**	**12,508**	**133,685**	**1,228**	**257,284**
As at June 30, 2024 (Unaudited)					
Cost	**185,118**	**31,598**	**235,040**	**1,228**	**452,984**
Accumulated depreciation	**(75,255)**	**(19,090)**	**(101,355)**	**—**	**(195,700)**
Net book amount	**109,863**	**12,508**	**133,685**	**1,228**	**257,284**

13 PROPERTY, PLANT AND EQUIPMENT (Continued)

(a) Depreciation of the Group charged to profit or loss is analyzed as follows:

	Six months ended June 30,	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Cost of sales	**5,888**	4,612
Selling expenses	**4**	4
General and administrative expenses	**1,255**	2,662
Research and development expenses	**21,038**	23,760
	28,185	31,038

(b) No capitalized borrowing costs for the six months ended June 30, 2024 (the six months ended June 30, 2023: nil).

14 INTANGIBLE ASSETS

	Computer software *RMB'000*	Licenses *RMB'000*	Construction in progress *RMB'000*	Total *RMB'000*
Six months ended June 30, 2023 (Unaudited)				
Opening net book amount	44,222	849,334	128	893,684
Additions	—	—	122	122
Transfer	85	—	(85)	—
Amortization charges	(3,001)	(5,896)	—	(8,897)
Currency translation differences	—	31,746	—	31,746
Closing net book amount	41,306	875,184	165	916,655
As at June 30, 2023 (Unaudited)				
Cost	52,623	895,698	165	948,486
Accumulated amortization	(11,317)	(20,514)	—	(31,831)
Net book amount	41,306	875,184	165	916,655

14 INTANGIBLE ASSETS (Continued)

	Computer software *RMB'000*	Licenses *RMB'000*	Construction in progress *RMB'000*	Total *RMB'000*
Six months ended June 30, 2024 (Unaudited)				
Opening net book amount	**40,417**	**670,757**	**41**	**711,215**
Additions	**—**	**9,978**	**97**	**10,075**
Transfer	**138**	**—**	**(138)**	**—**
Amortization charges	**(3,053)**	**(6,384)**	**—**	**(9,437)**
Currency translation differences	**—**	**5,285**	**—**	**5,285**
Closing net book amount	**37,502**	**679,636**	**—**	**717,138**
As at June 30, 2024 (Unaudited)				
Cost	**54,934**	**893,519**	**—**	**948,453**
Accumulated amortisation and impairment	**(17,432)**	**(213,883)**	**—**	**(231,315)**
Net book amount	**37,502**	**679,636**	**—**	**717,138**

(a) Amortization of intangible assets has been charged to the consolidated statements of comprehensive loss as follows:

	Six months ended June 30,	
	2024 *RMB'000* (Unaudited)	2023 *RMB'000* (Unaudited)
Cost of sales	**6,930**	6,357
Selling expense	**110**	110
Administrative expenses	**1,660**	1,607
Research and development Expenses	**722**	764
	9,422	8,838

14 INTANGIBLE ASSETS (Continued)

(b) Licenses

(i) Relma-cel license

In December 2017, the Group entered into License and Strategic Alliance Agreement ("**Relma-cel License**") with Juno Therapeutics, Inc. ("**Juno**") to develop and commercialize Relma-cel in Mainland China, Hong Kong and Macau. The Group recognized a total amount of USD11,570,000 (equivalent to RMB75,601,000) as intangible assets in year 2017.

In January 2021, the Group completed the treatment of 100 patients with Relma-cel in clinical trials. As such, the Group provided Juno milestone payment in cash in an amount of USD5,000,000 (equivalent to RMB32,462,000) in connection with the Relma-cel License and further recognized it as intangible assets.

In December 2022, the Group provided Juno reimbursement in cash in an amount of USD150,000 (equivalent to RMB1,045,000) and further recognized it as intangible assets.

In January 2024, the Group provided Juno Third Party Milestone Payment in cash in an amount of USD1,400,000 (equivalent to RMB9,978,000) and further recognized it as intangible assets.

As at June 30,2024, the carrying amount of the Relma-cel License amounted to RMB95,141,000 (2023: RMB91,000,000) (which is net of the accumulated amortisation of RMB32,675,000 (2023: RMB26,291,000)).

(ii) BCMA license

In April 2019, the Group entered into License Agreement — BCMA ("**BCMA License Agreement**") with Juno to develop and commercialize JWCAR129 in Mainland China, Hong Kong and Macau. The Group recognized a total amount of USD9,140,000 (equivalent to RMB61,318,000) as intangible assets in year 2019.

(iii) Eureka licenses

In June 2020, the Group acquired the licenses in a business combination and recognized the licenses, which includes certain licenses under development and commercialization in Mainland China, Hong Kong, Macau, Taiwan and the member countries of Association of South East Asia Nation, at fair value on the acquisition date ("**Eureka Licenses**"). The Group recognized a total amount of USD95,300,000 (equivalent to RMB674,676,000) as intangible assets in year 2020.

In December 2023, impairment test was performed by an engaged independent valuer. The Company concluded that a provision for impairment of RMB181,208,000 was required to be recognized.

14 INTANGIBLE ASSETS (Continued)

(b) Licenses (Continued)

(iv) 2seventy license

In October 2022, the Group entered into the Collaboration Agreement with 2seventy bio, Inc. ("**2seventy**") for the development and commercialization a cell therapy product directed to MAGE-A4 in Greater China. The Group provided 2seventy upfront payment in cash in an amount of USD3,000,000 (equivalent to RMB20,894,000) and recognized it as intangible assets.

As at June 30, 2024, BCMA license, Eureka licenses and 2seventy license with total net book value of RMB584,495,000 were not yet ready for use.

Impairment

The impairment test of licenses not ready for use was performed by engaging an independent valuer to estimate the value-in-use as the recoverable amount of each CGU. The fair value is based on value-in-use calculations using the discounted cash flow model. The estimated revenue of each drug is based on management's expectations of timing of commercializing related products to respective drug. The cost and operating expenses are estimated by considering margins levels of the Group's business, expected revenue contribution of respective drug to the Group's total revenue and appropriate adjustments to reflect the characteristics of respective license. The discount rates used are pre-tax and reflect specific risks relating to the relevant drug that would be considered by market participants.

For Eureka licenses, the recoverable amount is determined based on the higher of value-in-use and fair value less costs of disposal calculations ("**FVLCD**"). In light of the latest research development to product JWATM204/214, the Company took into account a variety of factors including the level of complexity of R&D pathways in the solid tumor field, the time and resources that might be required in advancing in-depth analysis with clinical data, and the overall R&D investment efforts required to work toward commercialization These factors may eventually result in an increase in the level of R&D efforts and other resources required and may affect the possibility of success, gross margin and pre-tax discount rate.

14 INTANGIBLE ASSETS (Continued)

(b) Licenses (Continued)

Impairment (Continued)

The key assumptions based on management's best estimates as adopted for the recoverable amount calculations are as follows:

BCMA license:

	As at June 30,	
	2024	2023
Gross margin	**75.3%~77.7%**	73.2%~78.1%
Pre-tax discount rate	**29.8%**	29.9%
Revenue growth rate	**-2.0%~63.4%**	0%~63.4%
Recoverable amount of CGU *(in RMB million)*	**101**	126

Eureka licenses:

	As at June 30,	
	2024	2023
Gross margin	**68.2%-81.1%**	84%~87.8%
Pre-tax discount rate	**29.6%**	28.5%
Revenue growth rate	**-2.0%~229.4%**	2.7%~229.4%
Recoverable amount of CGU *(in RMB million)*	**500**	884

2seventy licenses:

	As at June 30,	
	2024	2023
Gross margin	**67.5%~78.1%**	67.5%~78.1%
Pre-tax discount rate	**28.7%**	28.3%
Revenue growth rate	**-18.6%~108.6%**	-18.6%~108.6%
Recoverable amount of CGU *(in RMB million)*	**65**	55

Based on the result of above assessment, the Company concluded no further impairment is required to be recognized for Eureka license at June 30, 2024 as RMB181 million impairment was recognized at December 31, 2023 and no impairment is required to be recognized for BCMA license and 2seventy licenses at June 30, 2024.

15 PREPAYMENT FOR LICENSE

	As at June 30, 2024 RMB'000 (Unaudited)	As at December 31, 2023 RMB'000 (Audited)
Prepayment for license *(Note)*	**7,127**	7,083

Note:

In January 2020, the Company entered into an Option and License Agreement with Acepodia Biotechnologies, Ltd. ("**Acepodia**"), pursuant to which, the Company was granted an exclusive option to acquire an exclusive right and license to manufacture, develop, use, sell, offer for sale, import and otherwise commercialize certain products. On 3 February 2020, the Company paid first instalment of USD1,000,000 to Acepodia.

16 INVENTORIES

	As at June 30, 2024 RMB'000 (Unaudited)	As at December 31, 2023 RMB'000 (Audited)
Raw materials	**42,772**	24,297
Work in progress	**6,996**	9,785
Goods in transit	**839**	696
	50,607	34,778

17 OTHER NON-CURRENT ASSETS

	As at June 30, 2024 RMB'000 (Unaudited)	As at December 31, 2023 RMB'000 (Audited)
Value-added tax recoverable	**4,656**	12,565
Rental deposits	**1,650**	4,639
Prepayments for property, plant and equipment	**298**	1,979
	6,604	19,184

18 SHARE CAPITAL

Authorized:

	Number of ordinary shares *In thousands*	Nominal value of ordinary shares *USD*	RMB equivalent value *RMB'000*
As at January 1, 2024 and June 30, 2024	**5,000,000**	**50,000**	**332**

Issued and fully paid:

	Number of ordinary shares *In thousands*	Nominal value *USD*	RMB equivalent value *RMB'000*
As at December 31, 2023	412,396	4,124	27
Issuance of ordinary shares *(Note (a))*	2,671	27	0
As at June 30, 2024 (Unaudited)	**415,067**	**4,151**	**27**

Note(a):

During the six months ended June 30 2024, the Group issued a total of 2,671,554 ordinary shares to the Group's employees as the result of exercise of stock option and RSU after vesting period with a total exercise price of USD38,000 (equivalent to RMB268,000).

19 RESERVES

	Share premium RMB'000 Note (a)	Share-based compensation reserve RMB'000 Note (b)	Treasury shares held in trust	Foreign currency translation RMB'000 Note (c)	Capital reserve RMB'000 Note (d)	Total RMB'000
Balance at January 1, 2023	6,080,761	321,565	(1)	137,044	12,226	6,551,595
Share based compensation expenses	—	31,954	—	—	—	31,954
Currency translation differences	—	—	—	134,570	—	134,570
Issuance of ordinary shares *(Note 18)*	27	—	—	—	—	27
Balance at June 30, 2023 (Unaudited)	6,080,788	353,519	(1)	271,614	12,226	6,718,146
Balance at January 1, 2024	**6,080,788**	**356,530**	**(1)**	**199,602**	**12,226**	**6,649,145**
Share based compensation expenses	**—**	**18,557**	**—**	**—**	**—**	**18,557**
Currency translation differences	**—**	**—**	**—**	**19,548**	**—**	**19,548**
Issuance of ordinary shares *(Note 18)*	**268**	**—**	**—**	**—**	**—**	**268**
Balance at June 30, 2024 (Unaudited)	**6,081,056**	**375,087**	**(1)**	**219,150**	**12,226**	**6,687,518**

(a) Share premium arose from the issuance of the Company in excess of their par value.

(b) Share-based compensation reserve arises from share-based payment granted to employees of the Group.

(c) Foreign currency translation represents the difference arising from the translation of financial statements of companies within the Group that have a functional currency different from the presentation currency of RMB for the financial statements of the Group.

(d) Capital reserve represents the difference of aggregate consideration paid by the Group and the aggregate capital of the subsidiaries acquired before the year ended December 31, 2020.

20 SHARE-BASED PAYMENTS

(a) Stock option and restricted share unites

Pursuant to a resolution dated June 24 2022, the Company adopted 2022 June Stock Option and 2022 June RSU (together, "**2022 June Plan**"). The Company granted 2,282,395 stock options and 1,703,625 RSUs to certain directors, senior management and employees of the Group as rewards for their services, full time devotion and professional expertise to certain of the Group's subsidiaries.

Pursuant to a resolution dated September 29, 2022, the Company adopted 2022 September Stock Option and 2022 September RSU (together, "**2022 September Plan**"). The Company granted 660,001 stock options and 360,001 RSUs to certain senior management and employees of the Group as rewards for their services, full time devotion and professional expertise to certain of the Group's subsidiaries.

Pursuant to a resolution dated December 16, 2022, the Company adopted 2022 December Stock Option and 2022 December RSU (together, "**2022 December Plan**"). The Company granted 41,667 stock options and 41,667 RSUs to certain senior management and employees of the Group as rewards for their services, full time devotion and professional expertise to certain of the Group's subsidiaries.

Pursuant to a resolution dated August 29, 2023, the Company adopted 2023 August Stock Option and 2023 August RSU (together, "**2023 August Plan**"). The Company granted 1,467,845 stock options and 890,918 RSUs to certain senior management and employees of the Group as rewards for their services, full time devotion and professional expertise to certain of the Group's subsidiaries, subject to the meeting of the criteria of each employee's performance before the relevant vesting date.

There are two types of vesting schedules for the remaining 2022 June Plan, 2022 September Plan, 2022 December Plan and 2023 August Plan: (i) with 30% will vest on the second anniversary of the vesting commencement date and the remaining 30% and 40% will vest on the third anniversary and fourth anniversary of the vesting commencement date, respectively; and (ii) with 25% will vest on each anniversary of the vesting commencement date, respectively.

20 SHARE-BASED PAYMENTS (Continued)

(b) Fair value of stock option and RSU granted of the Company

Fair value of RSU is measured based on the fair value of the Group's ordinary shares, which is USD7.26 for 2019 Plan, USD19.16 for 2020 June Plan (before subdivision) and USD2.43 for 2020 September Plan (after subdivision). The fair value of ordinary shares is determined by discounted cash flow method. The key assumption for discounted cash flow model is the discount rate, which is 18% for 2019 Plan, 17% for 2020 June Plan and 16.5% for 2020 September Plan.

Fair value of RSU is HKD14.92 for 2021 September Plan and HKD11.48 for 2021 December Plan, which is the closing price of the grant shares in the stock market on the grant date. Fair value of RSU is HKD8.94 for 2022 June Plan, HKD3.18 for 2022 September Plan, HKD4.25 for 2022 December Plan and HKD2.46 for 2023 August Plan, which is the closing price of the grant shares in the stock market on the grant date.

Based on fair value of the underlying ordinary shares, the Group has used Binomial option-pricing model to determine the fair value of the stock option as at the grant date. Key assumptions are set as below:

	2023 August Plan (after subdivision)	2022 December Plan (after subdivision)	2022 September Plan (after subdivision)	2022 June Plan (after subdivision)	2021 December Plan (after subdivision)	2021 September Plan (after subdivision)	2020 September Plan (after subdivision)	2020 June Plan (before subdivision)	2019 Plan (before subdivision)
Risk-free interest rate	3.93%	3.30%	3.87%	2.82%	1.14%	1.14%	0.69%	0.66%	1.47%
Volatility	81%	61%	58%	58%	58%	58%	45%	47%	47%
Grant date option fair value per share	HKD1.54, HKD1.57	HKD2.058, HKD2.194	HKD1.578, HKD1.676	HKD4.588, HKD4.818	HKD5.472, HKD5.779	HKD6.928, HKD7.336	USD2.43	USD19.16	USD3.32, USD6.31
Exercise price	HKD2.46	HKD4.83	HKD3.31	HKD8.94	HKD11.99	HKD16.20	USD0.00001	USD0.001	USD1, USD6.55

The key assumptions, used in computing the fair value of the options granted are required to be determined by the directors of the Company with best estimate. Changes in variables and assumptions may result in changes in the fair value of the options.

(c) Expenses arising from share-based payment transactions

Expenses for the share-based payments have been charged to the consolidated statements of comprehensive loss as follows:

	Six months ended June 30,	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Administrative expenses	**13,764**	22,690
Research and development expenses	**4,942**	10,992
Selling expenses	**(149)**	(1,728)
Total	**18,557**	31,954

21 DIVIDEND

No dividend was paid nor declared by the Company for the six months ended June 30, 2024. (2023: nil).

22 TRADE AND OTHER PAYABLES

	As at June 30, 2024 RMB'000 (Unaudited)	As at December 31, 2023 RMB'000 (Audited)
Trade payables	**16,697**	3,269
Payables for purchase of R&D materials	**34,656**	50,403
Accrued expenses	**20,924**	21,873
Staff salaries and welfare payables	**15,156**	22,535
Payroll tax	**2,067**	6,622
Payables for purchase of property, plant and equipment	**1,348**	3,383
Deferred income	**600**	1,000
Total	**91,448**	109,085

The aging of trade payables based on the basis of the date of relevant income or demand note are as follows:

	As at June 30, 2024 RMB'000 (Unaudited)	As at December 31, 2023 RMB'000 (Audited)
Less than 1 year	**16,697**	3,269

23 BORROWINGS

	As at June 30, 2024 RMB'000 (Unaudited)	As at December 31, 2023 RMB'000 (Audited)
Non-current		
Less: Current portion of long-term borrowings	**163,600**	172,500
	(22,500)	(15,000)
Total non-current unsecured bank borrowings	**141,100**	157,500
Current		
Current unsecured bank borrowings	**170,000**	90,000
Current portion of long-term borrowings	**22,500**	15,000
Total current unsecured bank borrowings	**192,500**	105,000
Total	**333,600**	262,500

For the period ended June 30, 2024, the Group's borrowings were repayable as follows:

	As at June 30, 2024 RMB'000 (Unaudited)	As at December 31, 2023 RMB'000 (Audited)
Within 1 year	**192,500**	105,000
Between 1 and 2 year	**66,600**	36,000
Between 2 and 3 year	**11,000**	52,000
Between 3 and 4 year	**13,500**	12,000
Between 4 and 5 year	**15,000**	15,000
Over 5 years	**35,000**	42,500
	333,600	262,500

23 BORROWINGS (Continued)

The weighted average effective interest rates at each balance sheet date were as follows:

	As at June 30, 2024 RMB'000 (Unaudited)	As at December 31, 2023 RMB'000 (Audited)
Bank borrowings — RMB	**3.19%**	3.35%

24 COMMITMENTS

(a) Capital commitments

Capital expenditure contracted for by the Group at the balance sheet date but not yet incurred is as follows:

	As at June 30, 2024 RMB'000 (Unaudited)	As at December 31, 2023 RMB'000 (Audited)
Intangible assets	**329**	595
Property, plant and equipment	**396**	364
	725	959

24 COMMITMENTS (Continued)

(b) Operating lease commitments — where the Group is the lessee

At the balance sheet dates, lease commitments of the Group for leases not yet commenced for short-term lease and low-value lease are as follows:

	As at June 30, 2024 RMB'000 (Unaudited)	As at December 31, 2023 RMB'000 (Audited)
No later than 1 year	**501**	1,387
Later than 1 year and no later than 2 years	**104**	189
Later than 2 years and no later than 5 years	**2**	18
	607	1,594

25 RELATED PARTY TRANSACTIONS

Save as disclosed elsewhere in the report, the major related parties that had transactions and balances with the Group were as follows:

Name of related parties	Relationship with the Group
Juno	Shareholder
Yiping James Li	Connected person

(a) Transactions with related parties

(i) Purchase of materials

	Six months ended June 30,	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Juno	**21,504**	17,203

25 RELATED PARTY TRANSACTIONS (Continued)

(a) Transactions with related parties (Continued)

(ii) Interest of loan to connected person

	Six months ended June 30,	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Yiping James Li	**—**	285

(iii) Royalty fee

	Six months ended June 30,	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Juno	**5,209**	5,263

(iv) Third party milestone payment

	Six months ended June 30,	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Juno	**9,978**	—

(v) Repayment of loan from connected person

	Six months ended June 30,	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Yiping James Li	**—**	23,552

(vi) Repayment of interest from connected person

	Six months ended June 30,	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Yiping James Li	**—**	848

25 RELATED PARTY TRANSACTIONS (Continued)

(b) Balances with related parties

(i) Trade and other payables

	As at June 30, 2024 RMB'000 (Unaudited)	As at December 31, 2023 RMB'000 (Audited)
Juno	**2,152**	11,315

Note: The balances due to related parties were unsecured, trade in nature and non-interest bearing. These balances were due within 15 to 30 days.

Their fair values approximated their carrying amounts due to their short maturities.

In this report, unless the context otherwise requires, the following expressions have the meanings set out below. These expressions and their definitions may not correspond to any industry standard definitions, and may not be directly comparable to similarly titled expressions adopted by other companies operating in the same industries as our Company.

"associate(s)"	has the meaning ascribed to it under the Listing Rules
"Audit Committee"	the audit committee of the Board
"BCMA License Agreement"	the license agreement entered into between our Company and Juno dated April 11, 2019
"Board", "our Board" or "Board of Directors"	the board of Directors of our Company
"Business Development and Strategy Committee"	the business development and strategy committee of the Board
"CAR"	chimeric antigen receptor
"CAR-T"	chimeric antigen receptor T-cell
"CEO"	the chief executive officer of our Group
"CG Code"	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
"Chairman"	the chairman of the Board
"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Company", "our Company", "the Company" or "JW Therapeutics"	JW (Cayman) Therapeutics Co. Ltd (Stock code: 2126), an exempted company with limited liability incorporated under the laws of the Cayman Islands on September 6, 2017, the shares of which are listed on the Main Board of the Hong Kong Stock Exchange
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"Consolidated Affiliated Entities"	the entities we control through the Contractual Arrangements, namely Shanghai Ju Ming and its subsidiaries Shanghai Ming Ju and Suzhou Ming Ju Biotechnology Co., Ltd. (蘇州明聚生物科技有限公司)
"Director(s)"	the director(s) of the Company
"Dr. Li"	Dr. Yiping James Li, our Chairman and non-executive Director

"Frost & Sullivan"	Frost & Sullivan (Beijing) Inc., Shanghai Branch Co., a global market research and consulting company, which is an independent industry consultant
"Global Offering"	the Hong Kong public offering and the international offering of the Shares
"Group", "our Group", "the Group", "we", "us", or "our"	the Company, its subsidiaries and the Consolidated Affiliated Entities from time to time
"HKD" or "HK dollars"	Hong Kong Dollars, the lawful currency of Hong Kong
"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the PRC
"IFRS"	International Financial Reporting Standards
"IND"	investigational new drug or investigational new drug application, also known as clinical trial application in China
"Juno"	Juno Therapeutics, Inc., a company incorporated in Delaware, the United States on August 5, 2013 under its former name, FC Therapeutics, Inc., a wholly-owned subsidiary of Celgene which is in turn wholly-owned by BMS, and is one of our Substantial Shareholders
"License and Strategic Alliance Agreement"	the license and strategic alliance agreement entered into between our Company and Juno in December 2017
"Listing"	the listing of the Shares on the Main Board of the Hong Kong Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
"Main Board"	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operates in parallel with the Growth Enterprise Market of the Stock Exchange
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Listing Rules
"NDA"	new drug application
"NMPA"	National Medical Products Administration of China (國家藥品監督管理局) and its predecessor, China Food and Drug Administration (國家食品藥品監督管理總局)
"Nomination Committee"	the nomination committee of the Board

"Post-IPO Incentivization Scheme"	the Post-IPO Share Option Scheme adopted by the Company on October 14, 2020
"Post-IPO Restricted Share Unit Scheme"	the Post-IPO Restricted Share Unit Scheme adopted by the Company on October 14, 2020
"Pre-IPO Incentivization Scheme"	the Pre-IPO Share Option Scheme adopted by the Company on September 4, 2019
"Prospectus"	the prospectus of the Company dated October 22, 2020
"R&D"	research and development
"Remuneration Committee"	the remuneration committee of the Board
"Reporting Period"	the six-month period from January 1, 2024 to June 30, 2024
"Restricted Share Unit Scheme"	the Pre-IPO Restricted Share Unit Scheme adopted by the Company on September 4, 2019
"Restricted Share Unit Schemes"	the Restricted Share Unit Scheme and the Post-IPO Restricted Share Unit Scheme
"RMB" or "Renminbi"	Renminbi, the lawful currency of China
"RSU(s)"	the restricted share unit(s) granted pursuant to the Restricted Share Unit Scheme
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Shanghai Ju Ming"	Shanghai Ju Ming Medical Technology Co., Ltd.* (上海炬明醫療技術有限公司), a limited liability company established under the laws of the PRC on July 10, 2017 and our Consolidated Affiliated Entity
"Share(s)"	ordinary share(s) in the capital of the Company with nominal value of US$0.00001 each
"Share Incentivization Schemes"	our Pre-IPO Incentivization Scheme, Restricted Share Unit Schemes and Post-IPO Incentivization Scheme
"Shareholder(s)"	holder(s) of Share(s)
"sNDA"	supplemental new drug application
"Stock Exchange" or "Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited

"subsidiary" or "subsidiaries"	has the meaning ascribed to it thereto in section 15 of the Companies Ordinance
"Substantial Shareholder(s)"	has the meaning ascribed to it under the Listing Rules
"United States", "U.S." or "US"	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
"US dollars", "U.S. dollars" or "US$"	United States dollars, the lawful currency of the United States
"%"	per cent

* *For identification purpose only*